

MintHC

Business
Insights



**Hopes for 2026 are
strong and rising**

with Tony Alexander

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Hopes for 2026 are strong and rising

My Aim

To help Kiwis make better decisions for their businesses, investments, home purchases, and people by writing about the economy in an easy-to-understand manner.

Each month I send an invitation to people on my Tony's View subscribers list inviting recipients to give insights into what is happening in their business sectors at the moment. 390 people replied from a wide variety of sectors this month. The aim is to gain real time insights into what is happening in various sectors with respondents choosing whether to focus on customer flows, pricing and cost pressures, expansion plans, and so on – whatever they consider to be the most important developments.

Key results from this month's survey include the following

- Most businesses continue to firmly report that current economic conditions remain very challenging. However, expectations for better times over 2026 are getting much stronger.
- Anticipation of firmer growth next year is encouraging more businesses to hoard good staff.



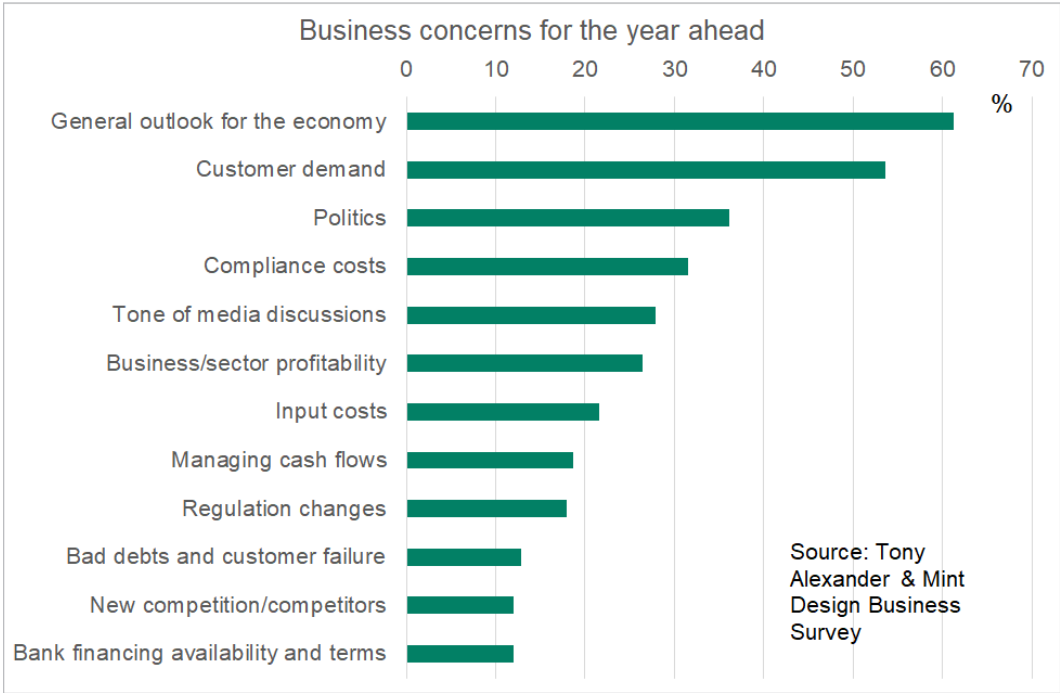
Tony Alexander

Independent Economist

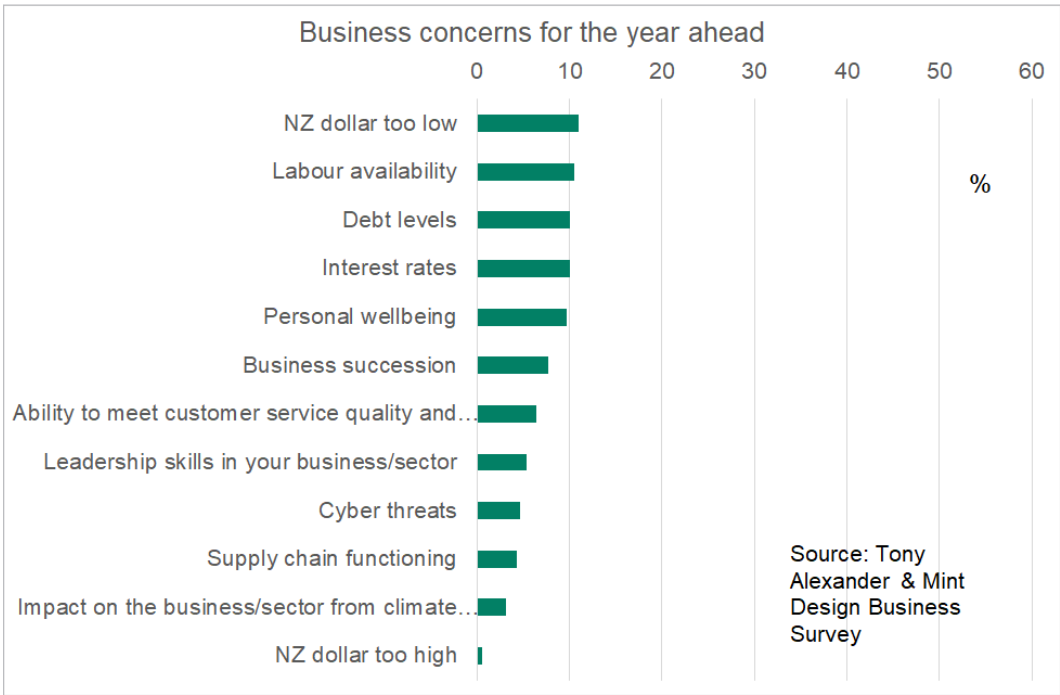
What concerns you most for the year ahead?

We ask businesses to choose the things which concern them most about the year ahead. They can choose more than one area of concern. The following two graphs show the most common and then least common areas of concern cited by business in this month's survey.

The three top ranking areas of concern for Kiwi businesses are the same as they have been for some time now – the general outlook for the economy, customer demand, and politics.

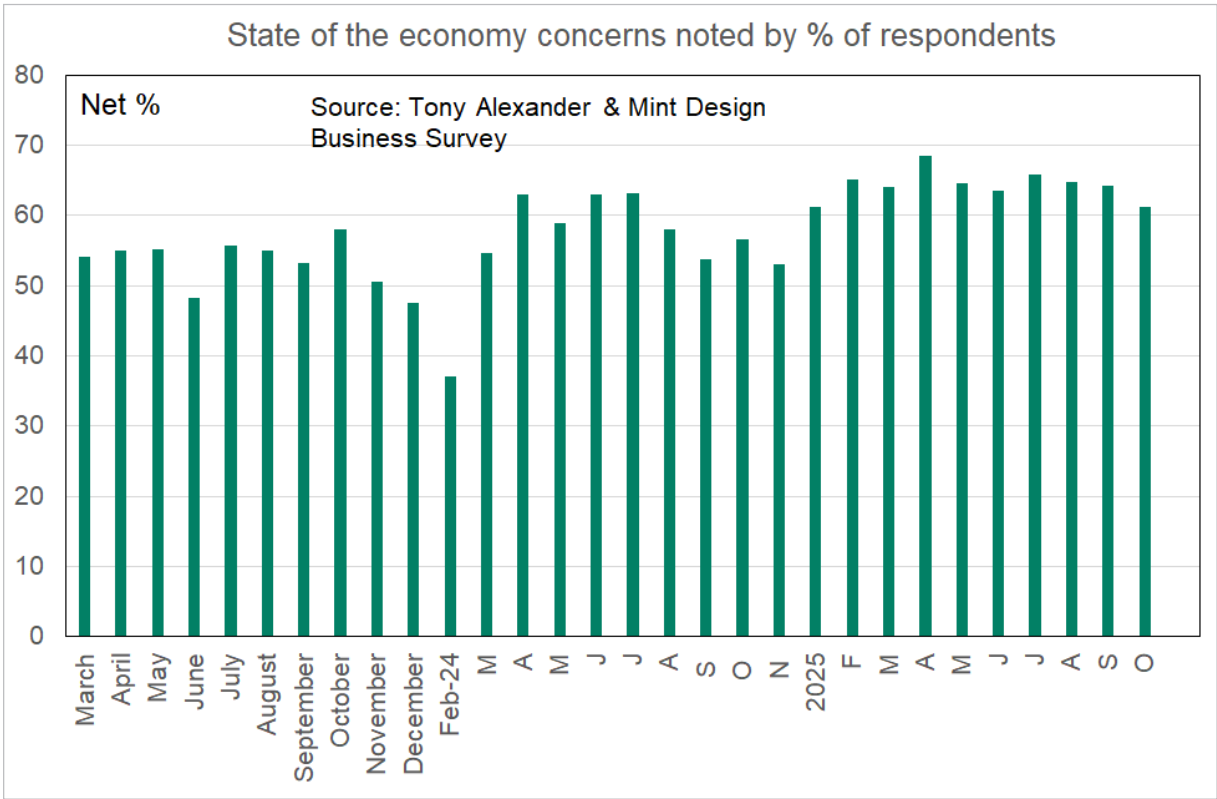


Almost no businesses feel that the Kiwi dollar is too high, climate change impacts barely rate a mention, and supply chains are functioning well.

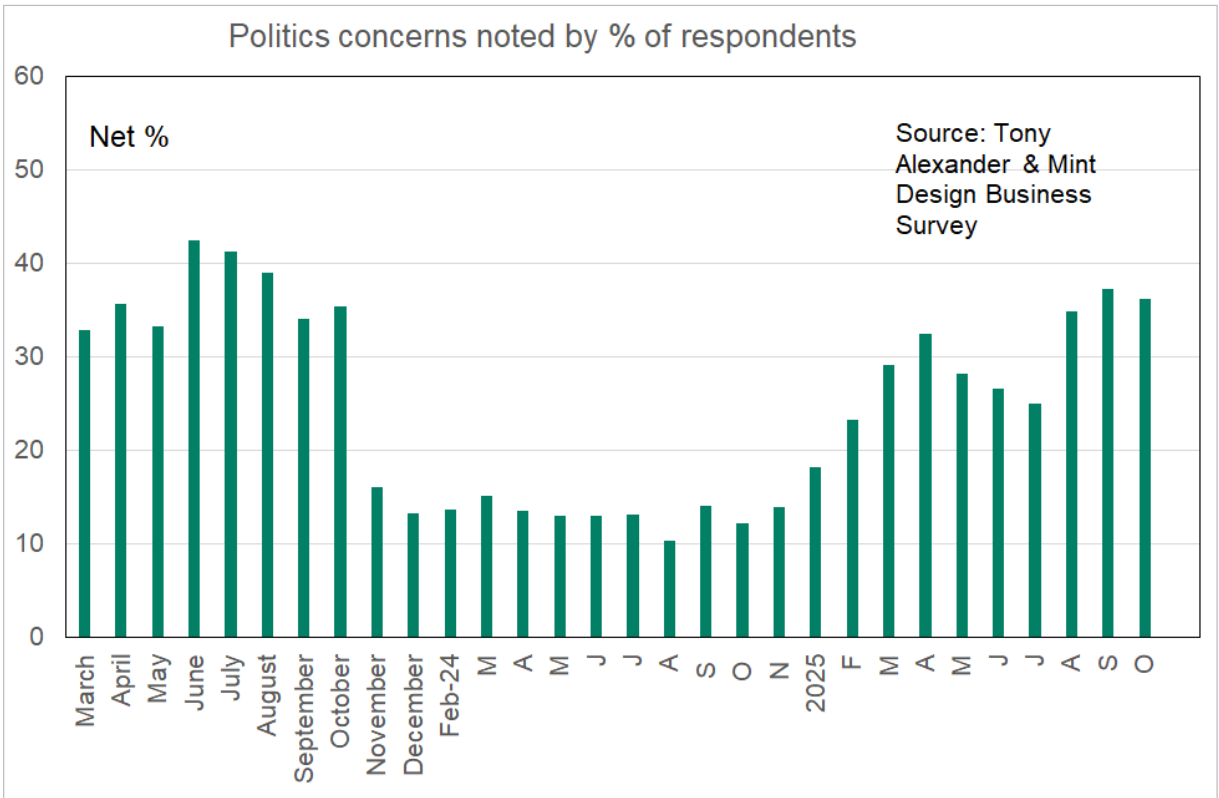
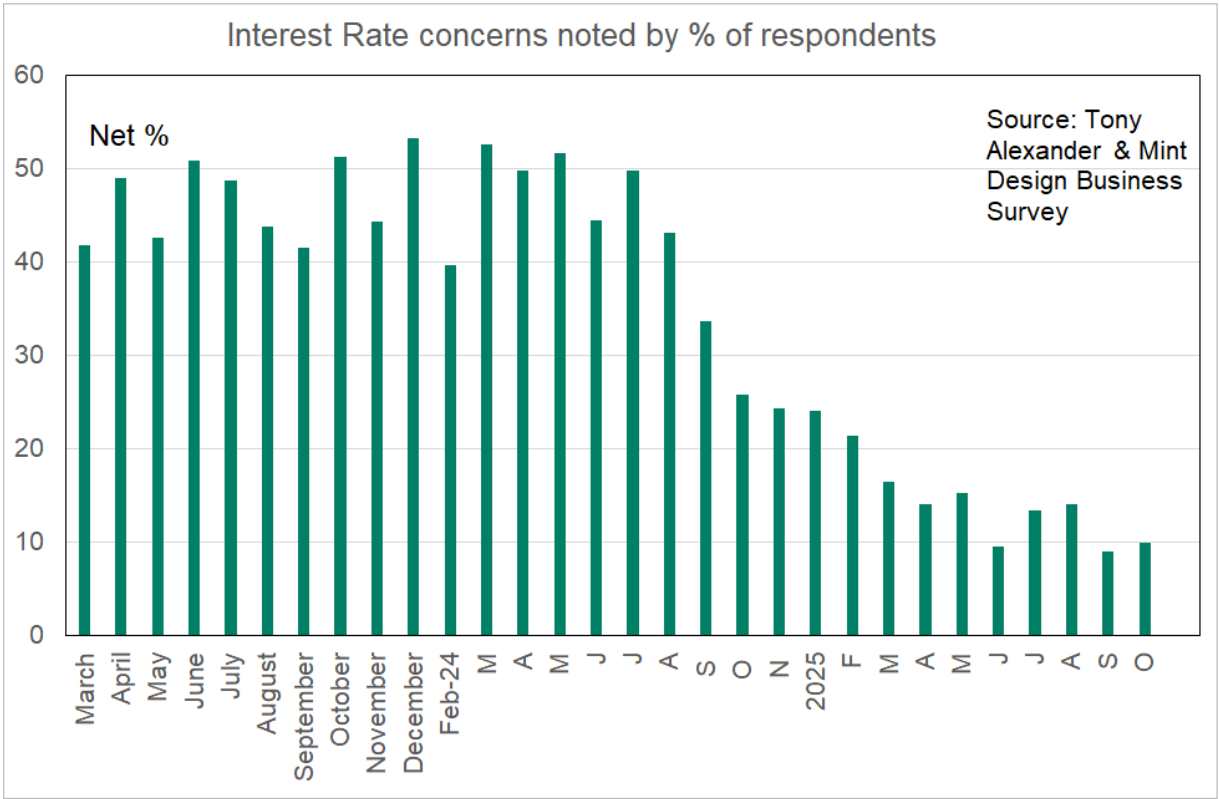


These next graphs look at changes in a selection of areas of concern for businesses since our survey started in March 2023.

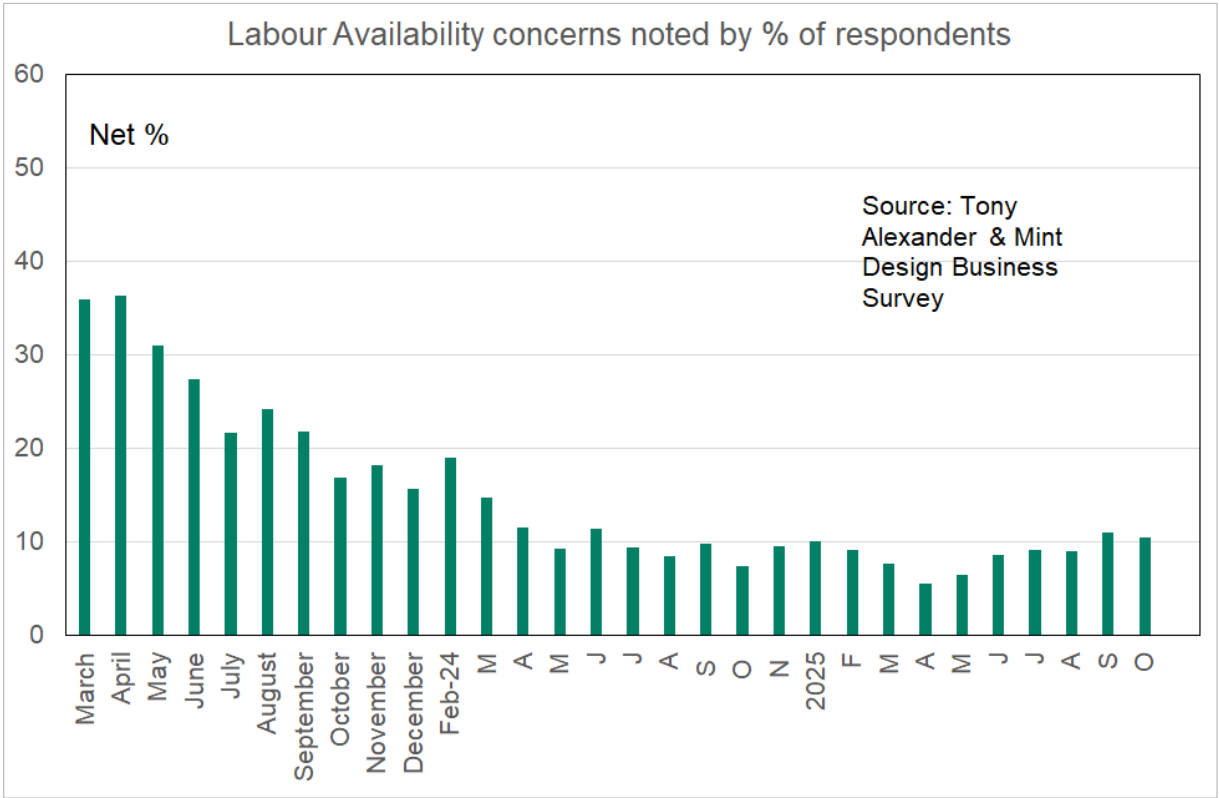
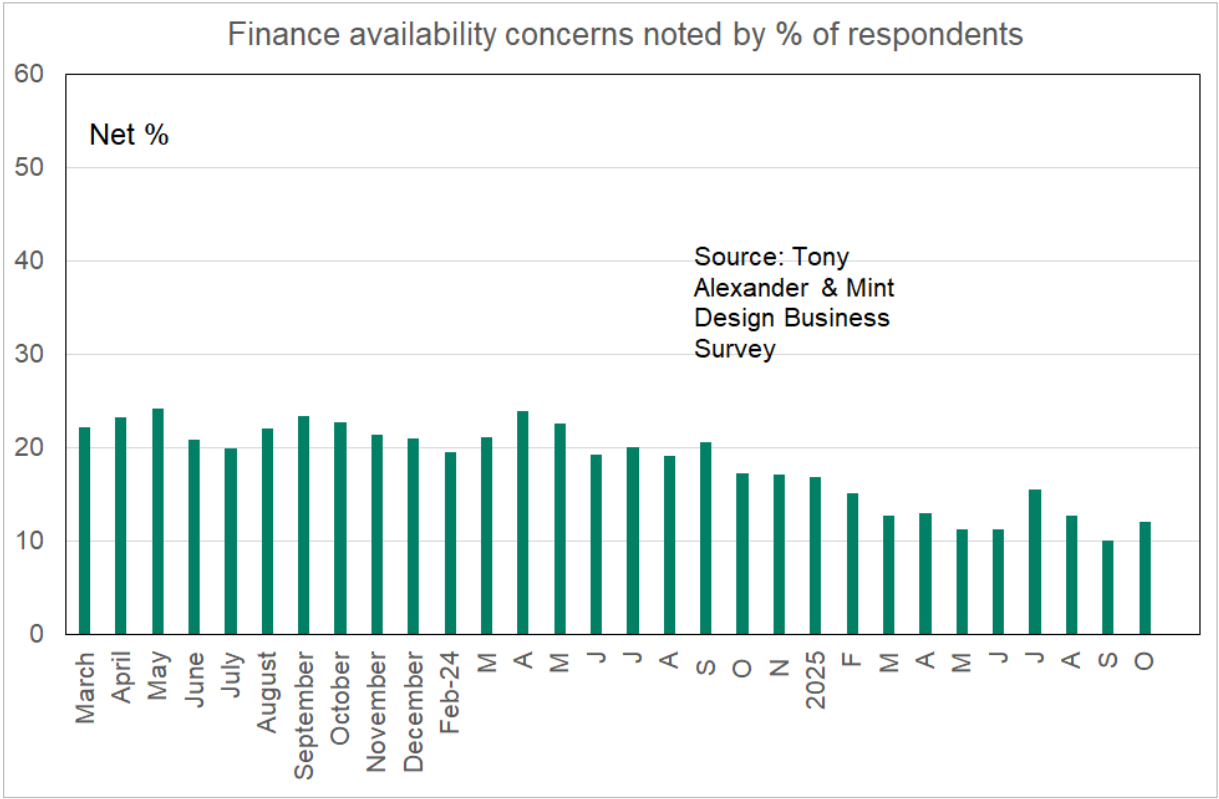
Concerns about the current state of the economy remain as high as ever while expectations for profitability have edged lower recently, perhaps because many costs continue to increase.



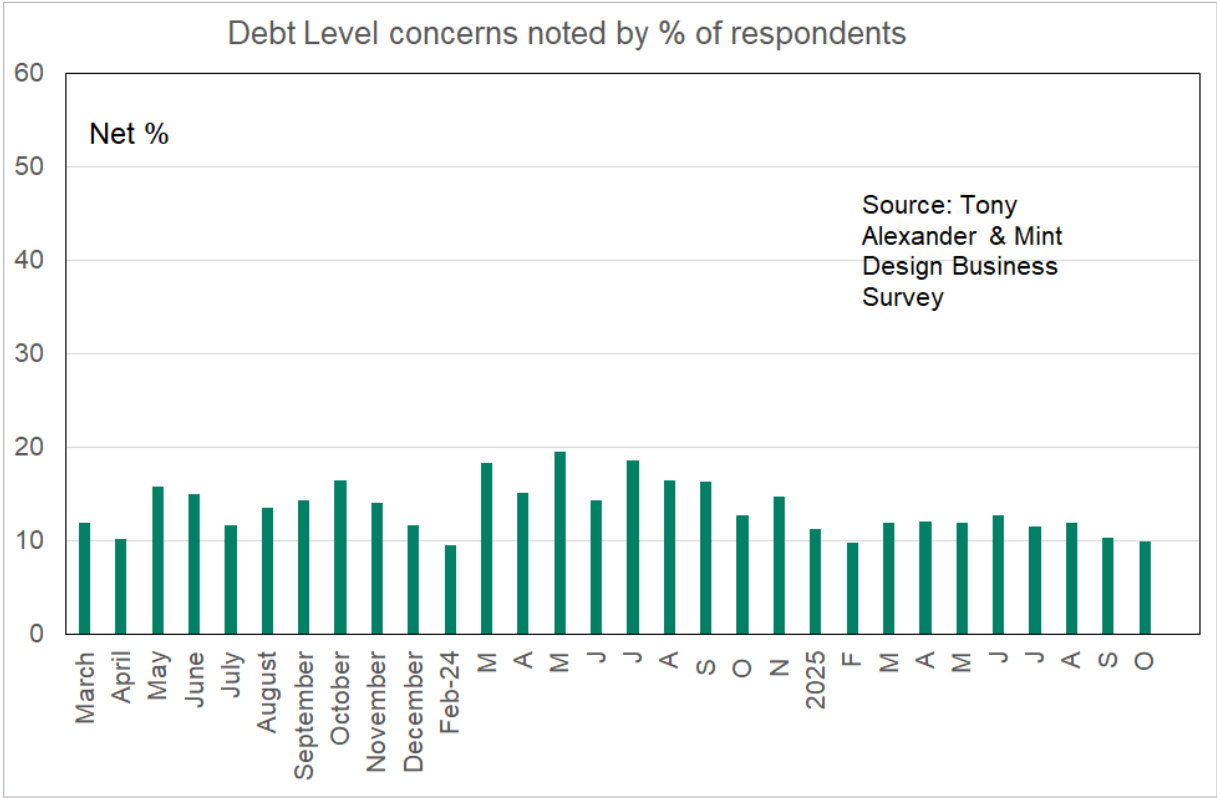
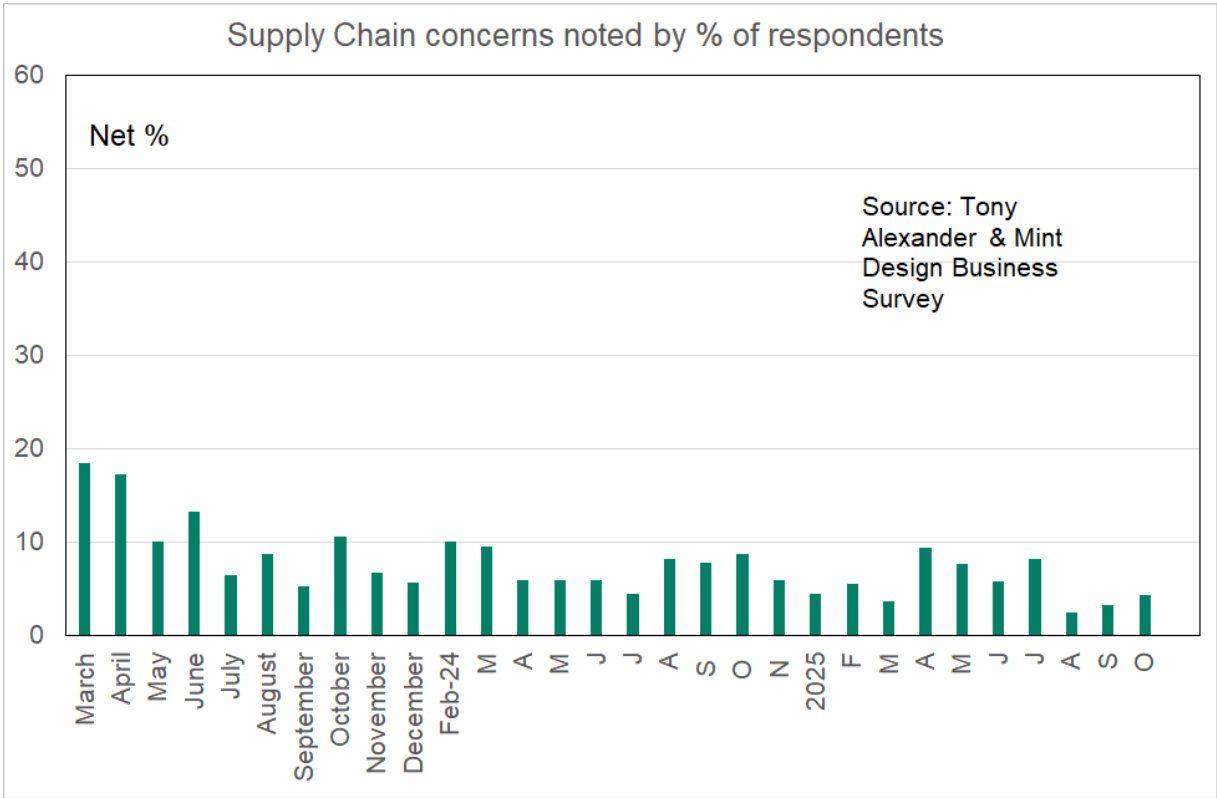
Worries about interest rates are now at very subdued levels – and were before the recent 0.5% cut in the official cash rate. In contrast, concerns about the state of politics are high and many businesses have noted concerns about a potential change in government next year and what the impact would be on the economy and their operating costs.



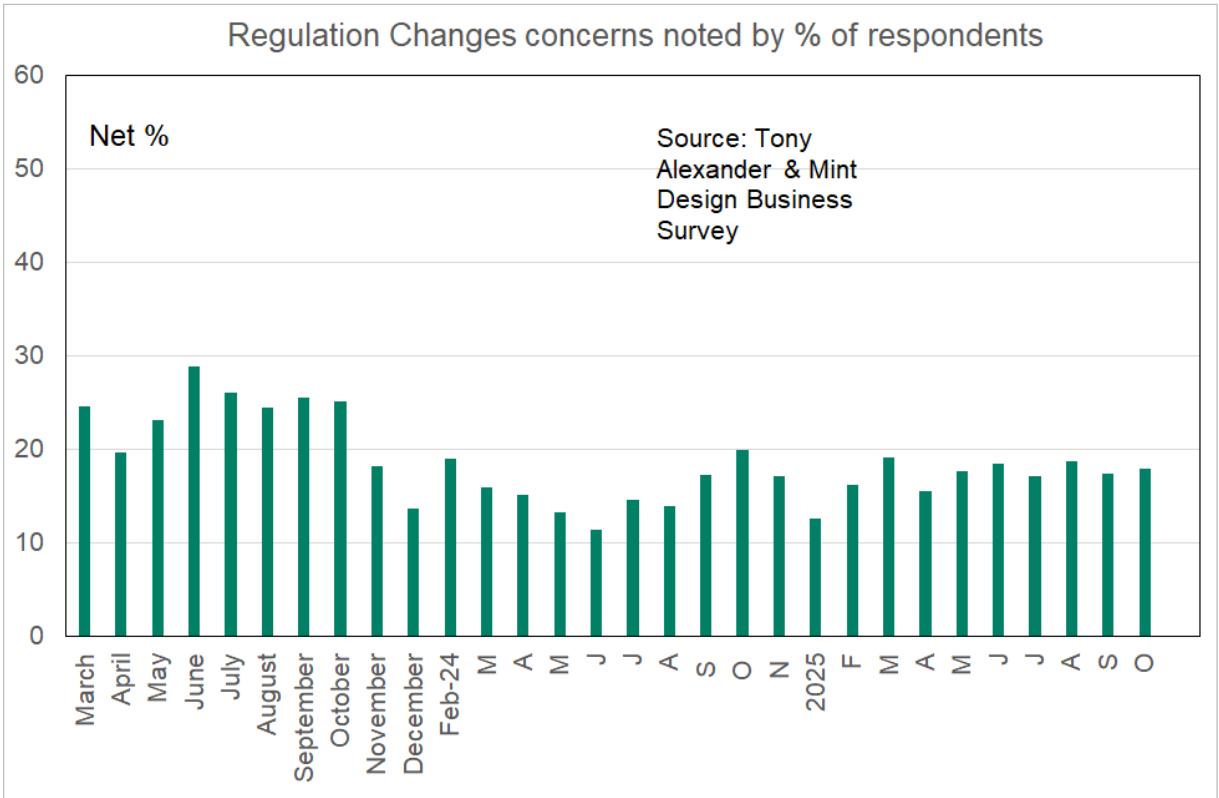
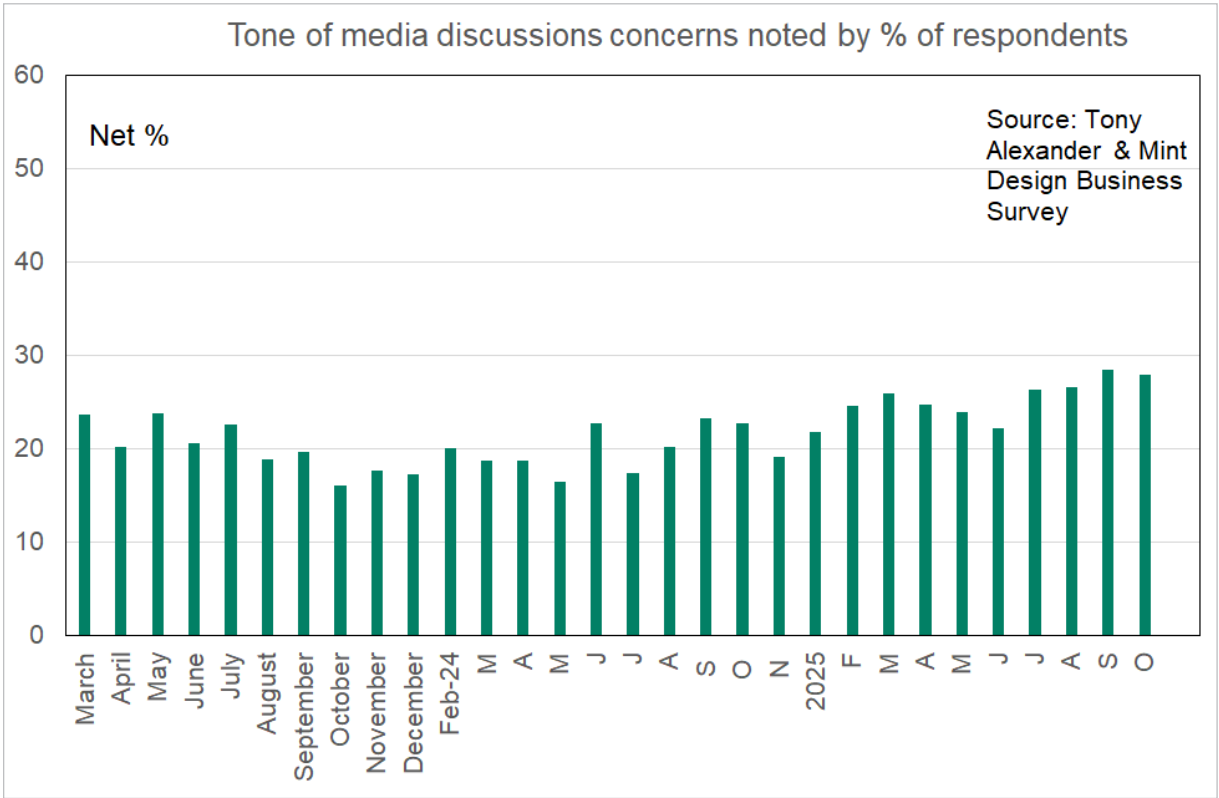
The steady decline in concerns about availability of finance came to an end in the middle of this year. Looking through the recent monthly volatility in this measure it seems best to say that no trend is now apparent – perhaps as thoughts of extra expenditure on expansion and modernisation have yet to seriously translate through into solid decisions and actions. Since May there has been a slight upward drift in concerns about labour availability.



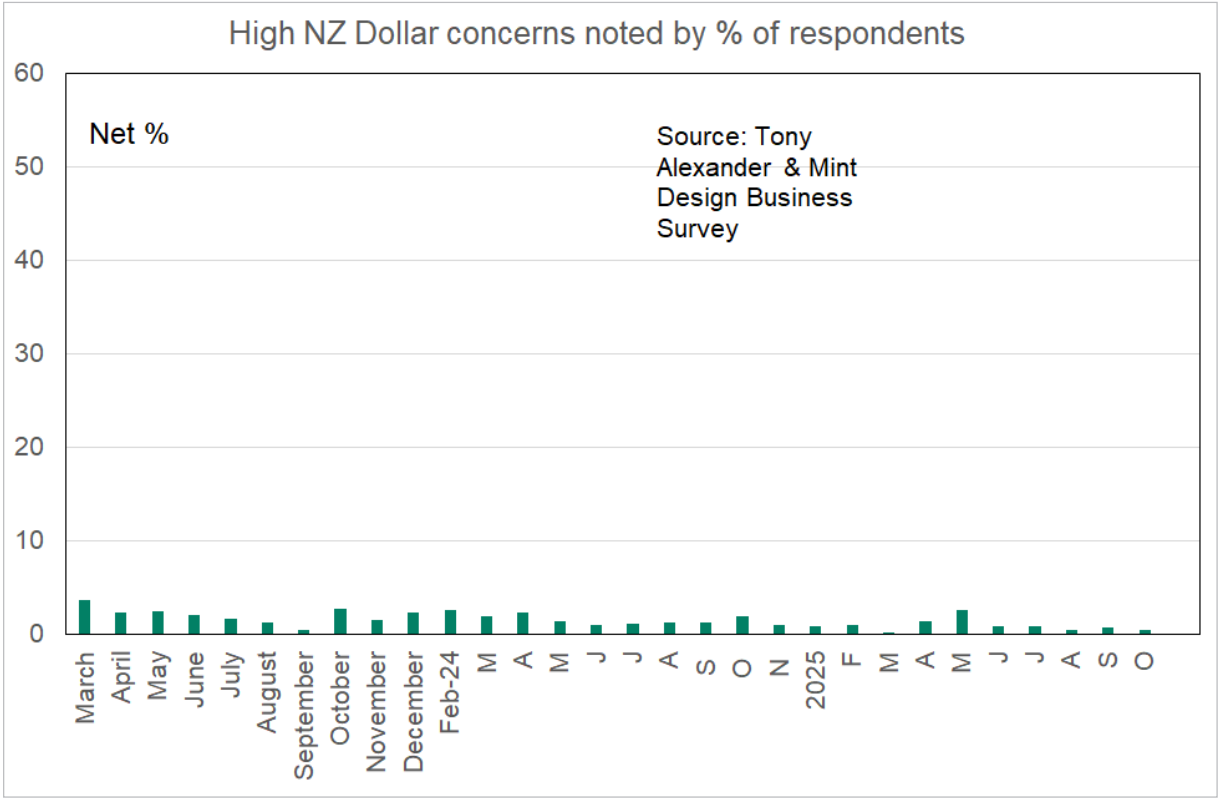
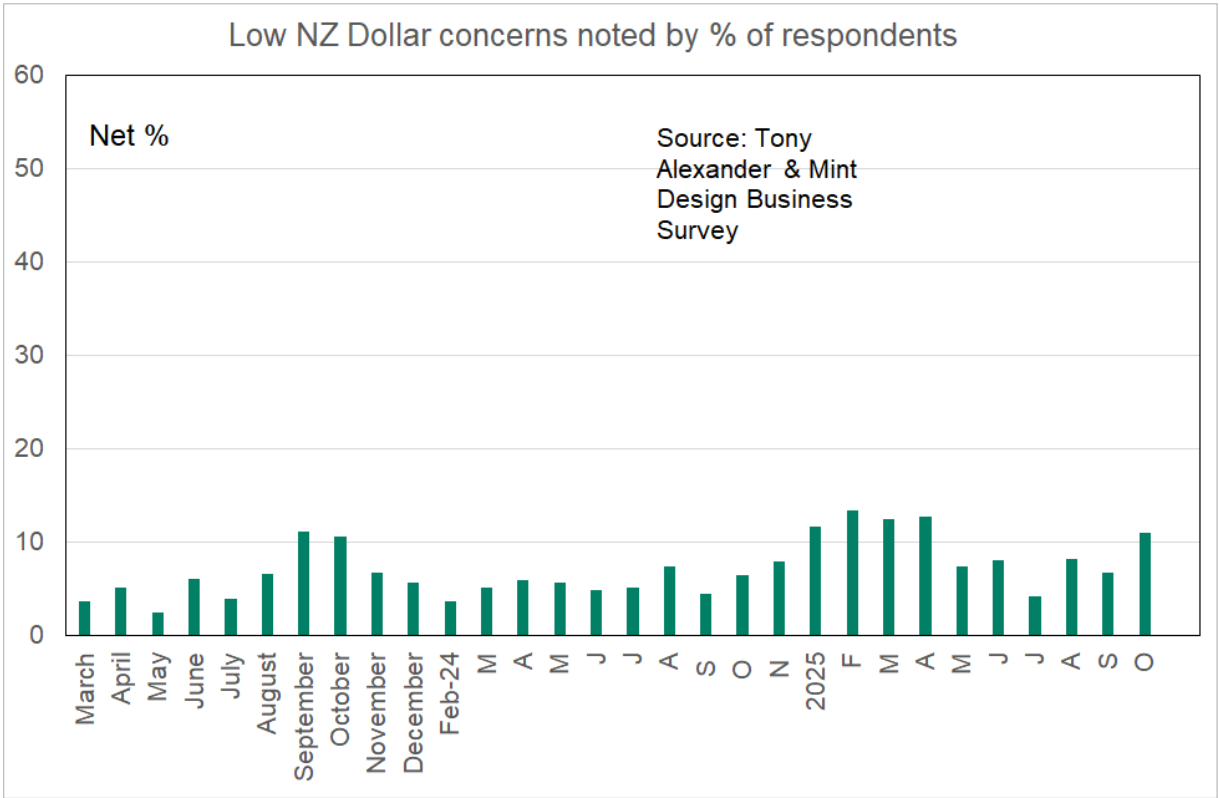
Supply chains are functioning well. Few concerns are held about business debt levels at least by the businesses concerned if not necessarily the IRD going by recent media reports.



The depth of concern about media discussion in New Zealand is increasing. Many businesses have explicitly noted this and the mainstream media focus on negative issues. Much as many businesses have bemoaned regulations, there is no trend up in this area of concern.

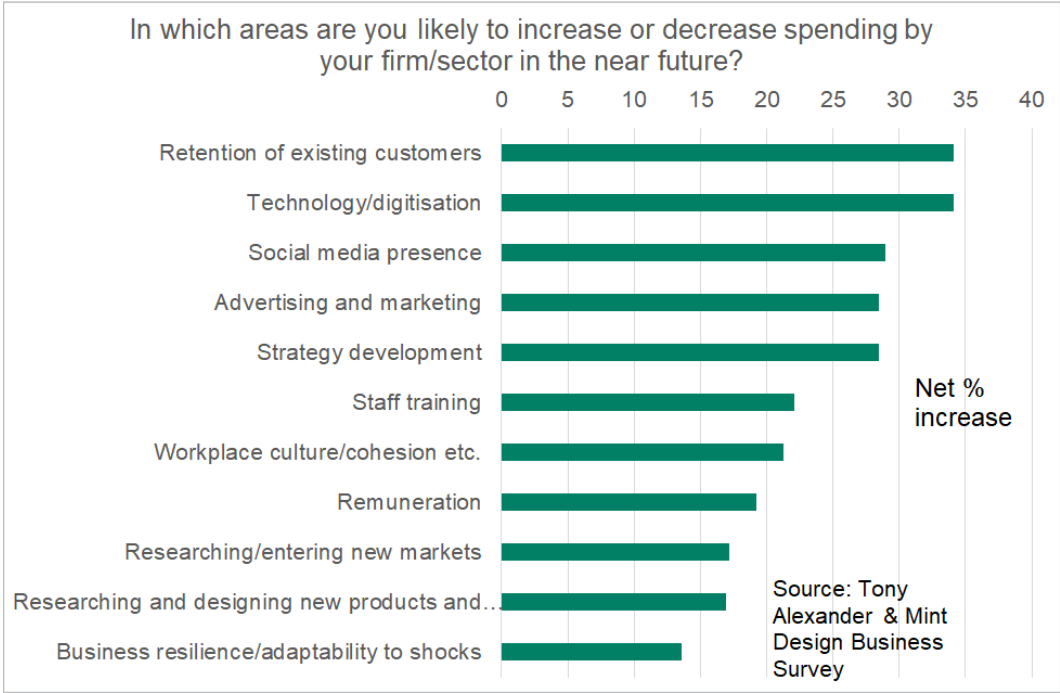


The proportion of businesses worried that the NZD is too low is rising, while concerns that it is too high are falling. This arises because recently the Kiwi dollar has been weakening off to multi-year lows against the US and Australian currencies in particular.

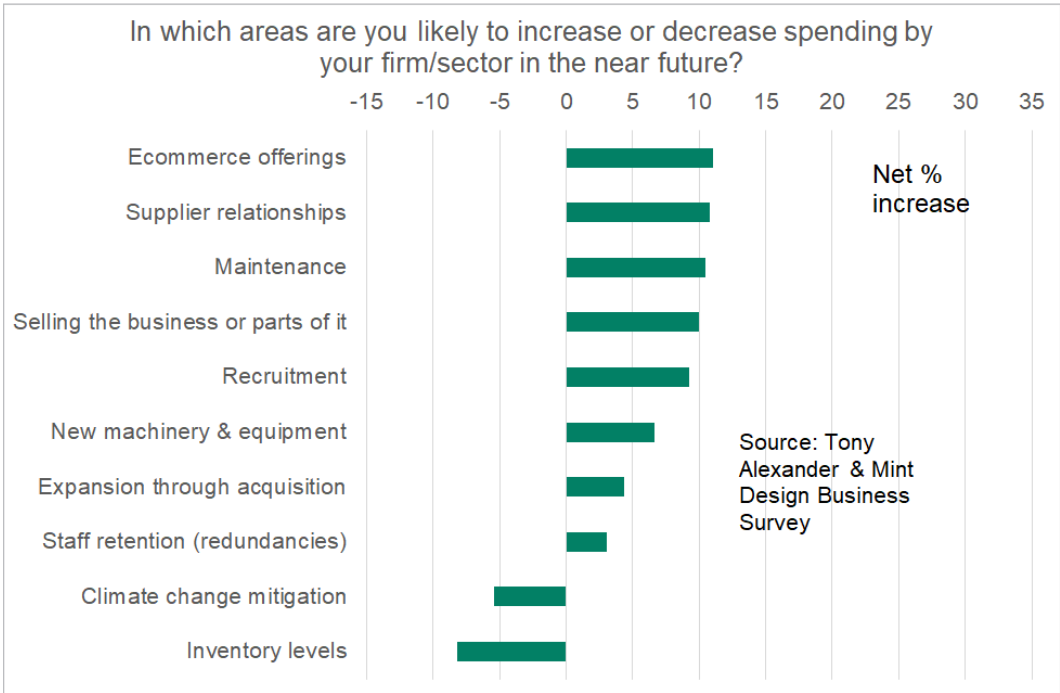


In which areas are you likely to increase or decrease spending by your firm/sector in the near future?

Our second main question is addressed at identifying where businesses are going to allocate their scarce funds in the coming year. As above, we split the results across two graphs starting with areas where most businesses plan greater allocation of resources. The top area of spending intentions is retention of existing customers followed by spending on technology (AI included in this group almost certainly), and social media presence.

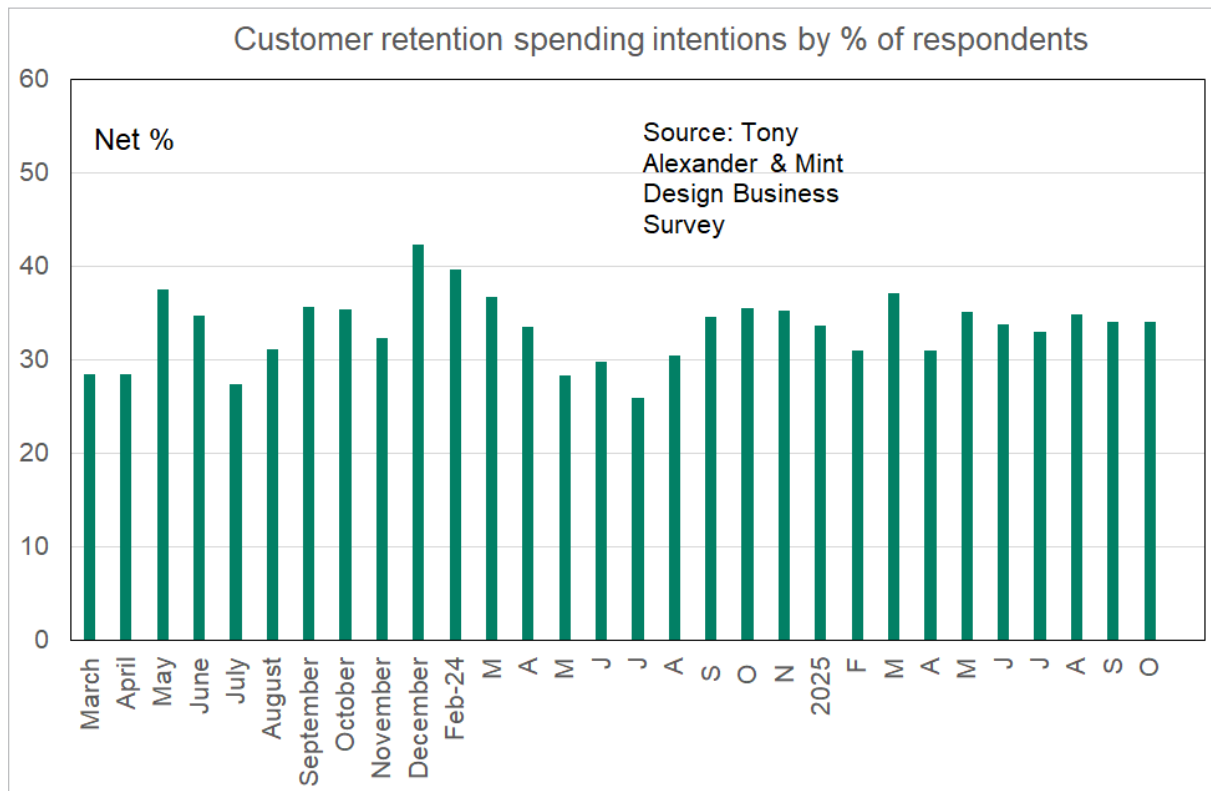
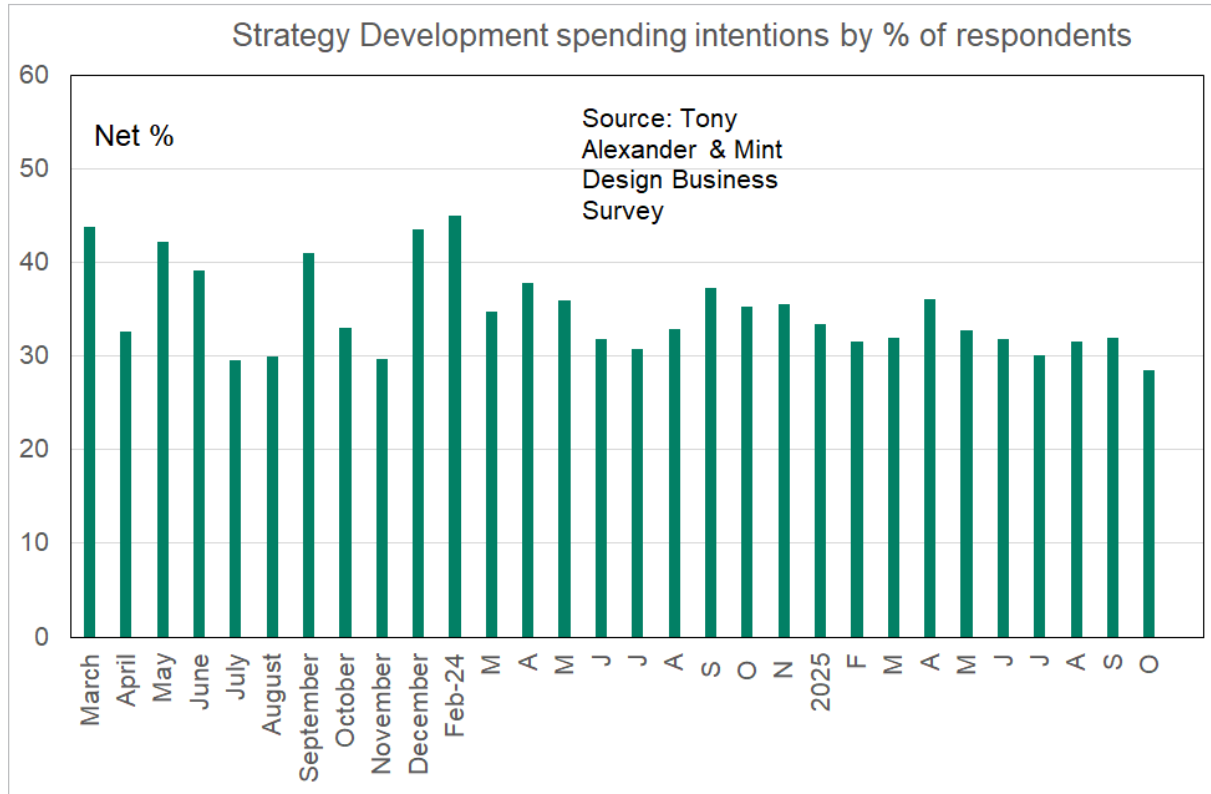


Spending on mitigating the effects of climate change continues to ease off according to our survey.

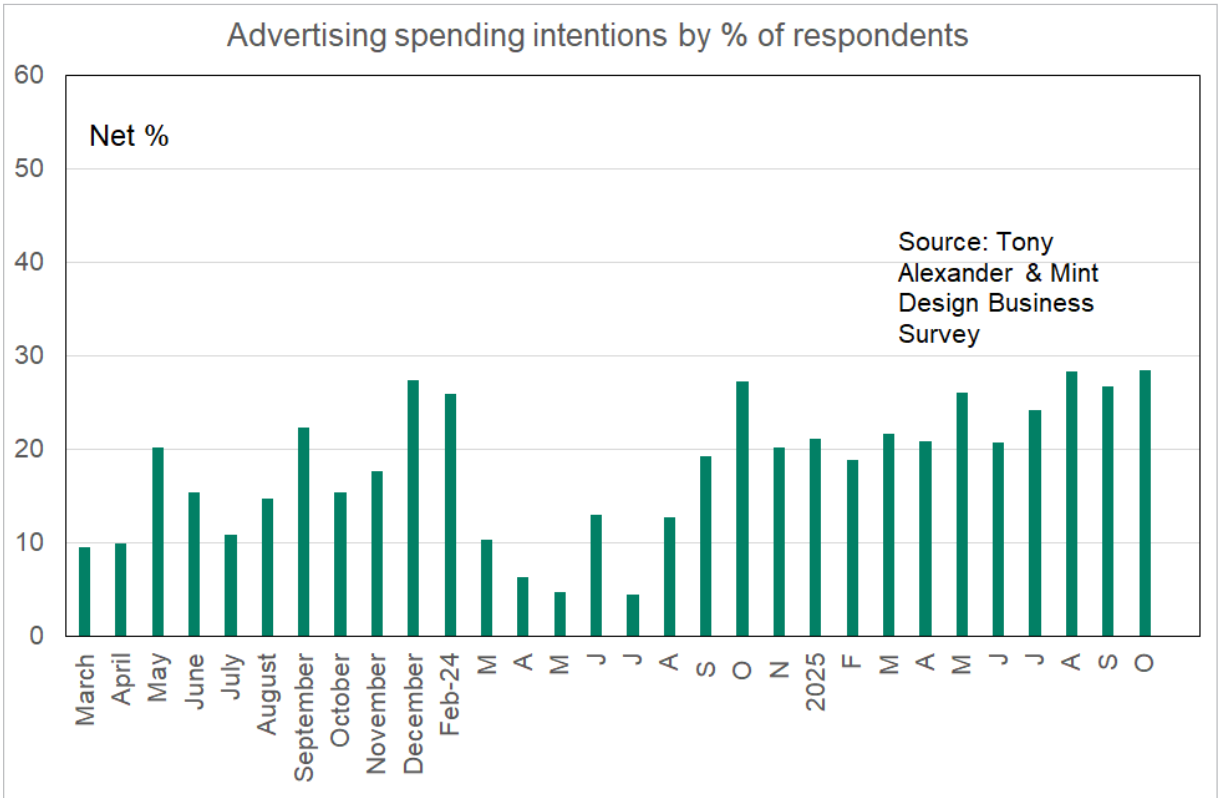
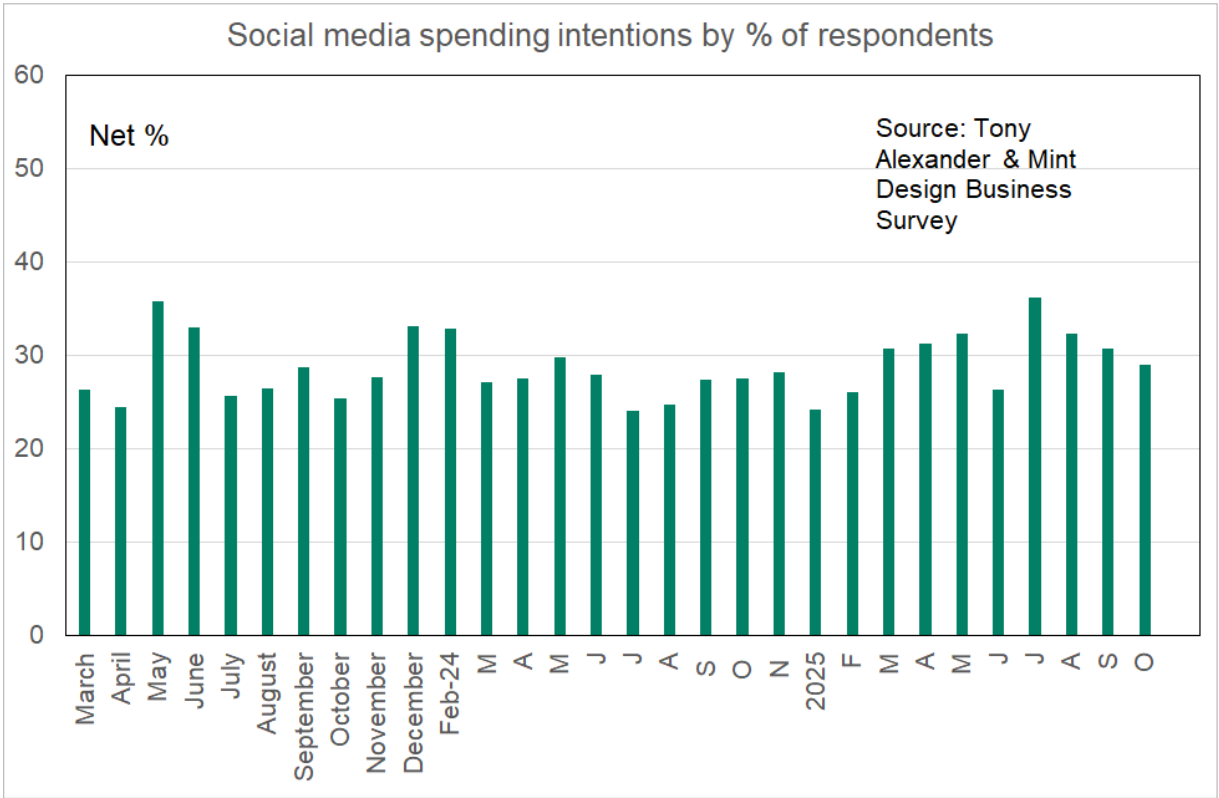


These next graphs look at how planned areas of spending change have been tracking since our survey started in March 2023.

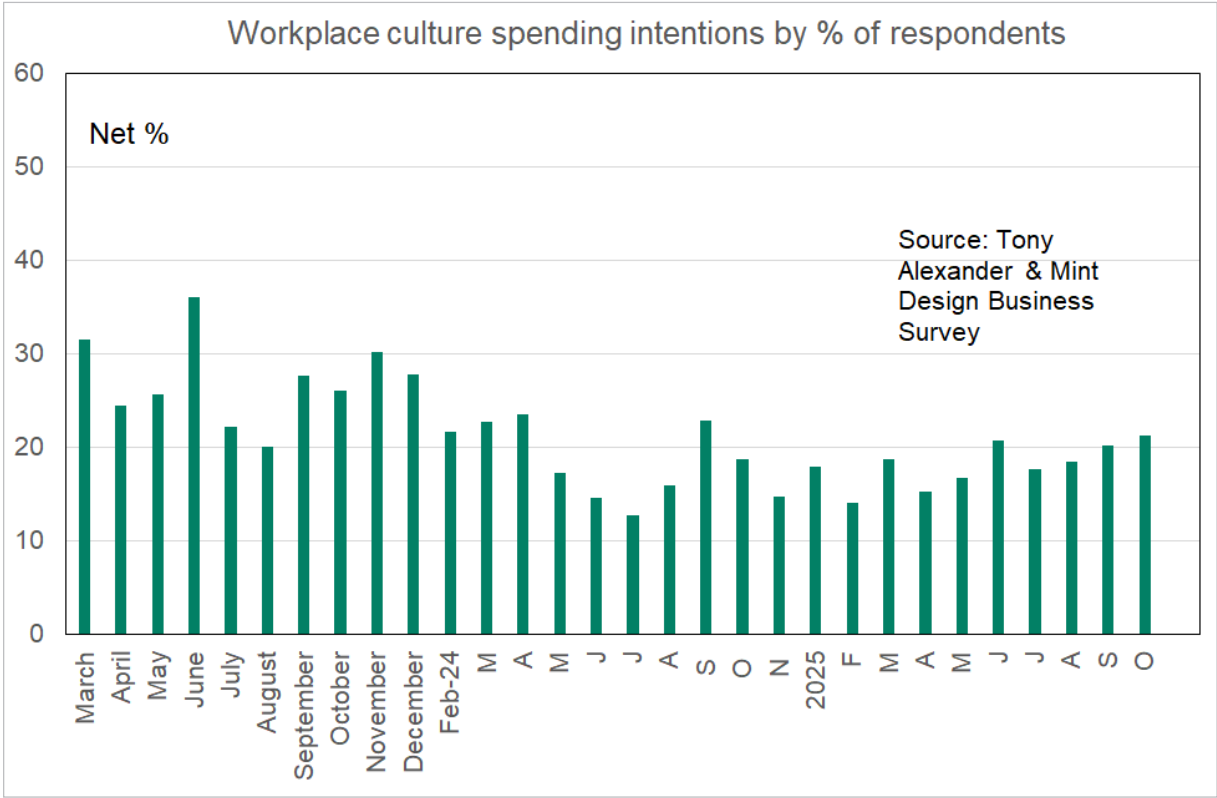
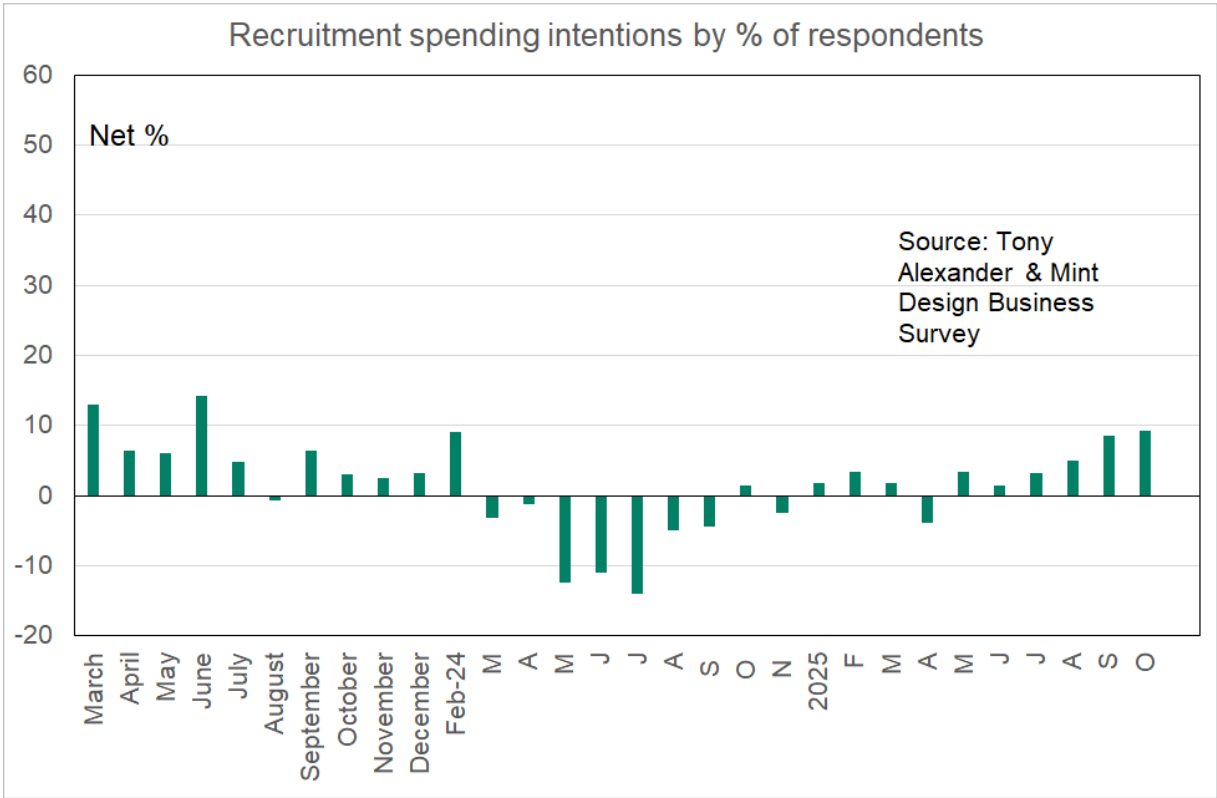
Plans for spending on development of strategy remain high. But a slight easing off is becoming apparent, perhaps as a feeling of the need for such planning pulls back because of anticipation of a stronger economy next year. But reflecting the still challenging environment at the moment there remains a firm focus on spending to retain existing customers.



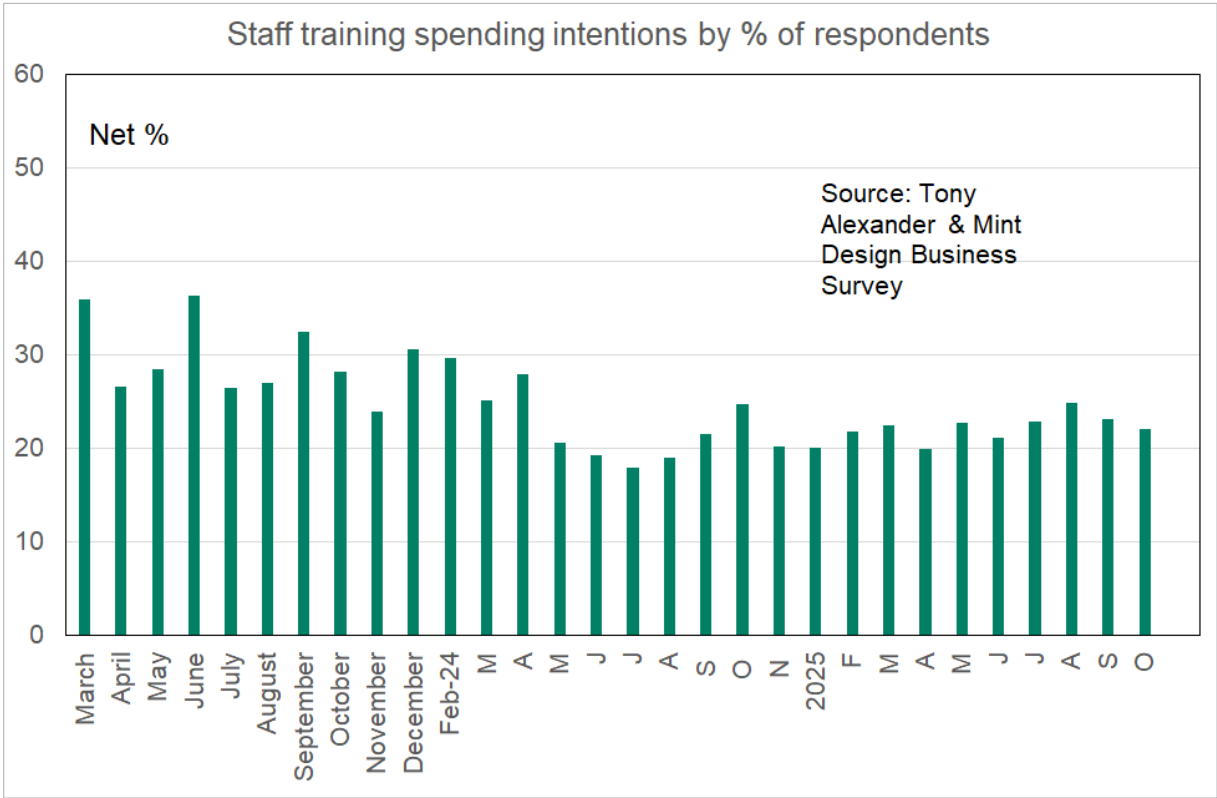
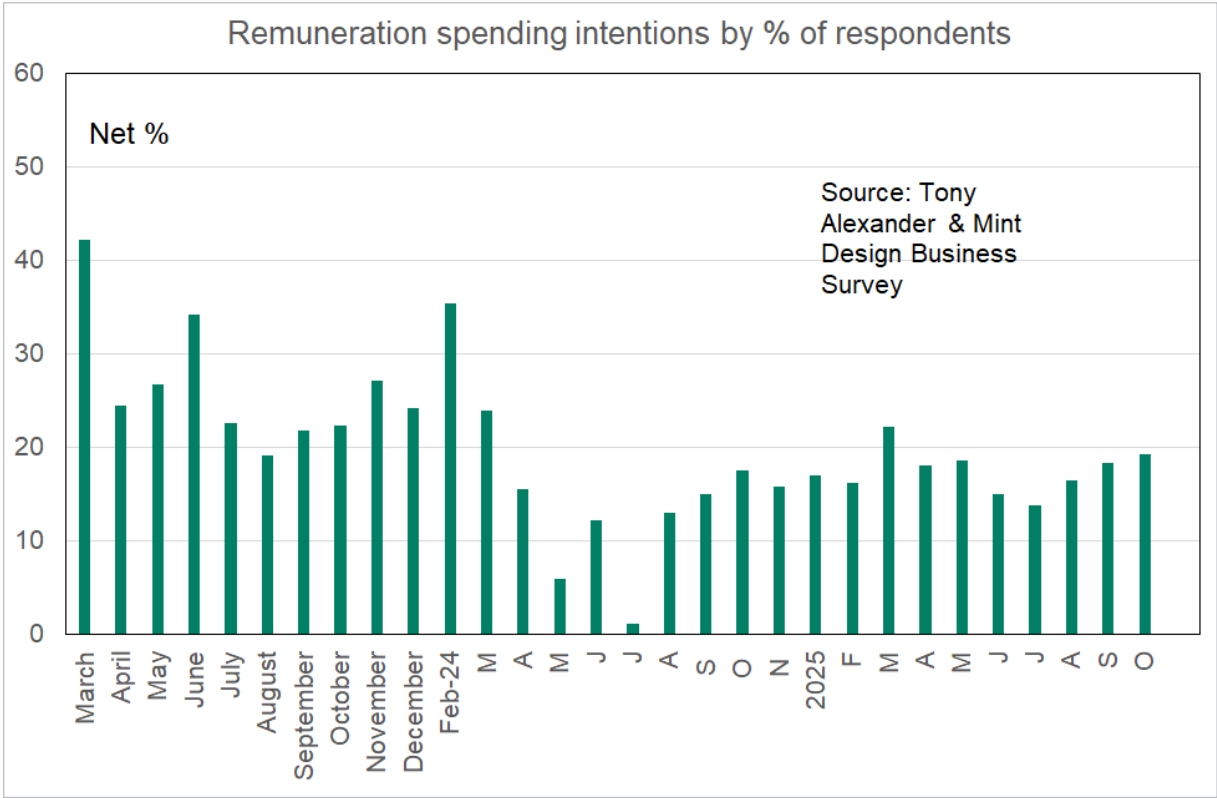
Social media spending plans are easing off marginally. But a definite upward trend is in place for plans to spend on advertising more generally defined.



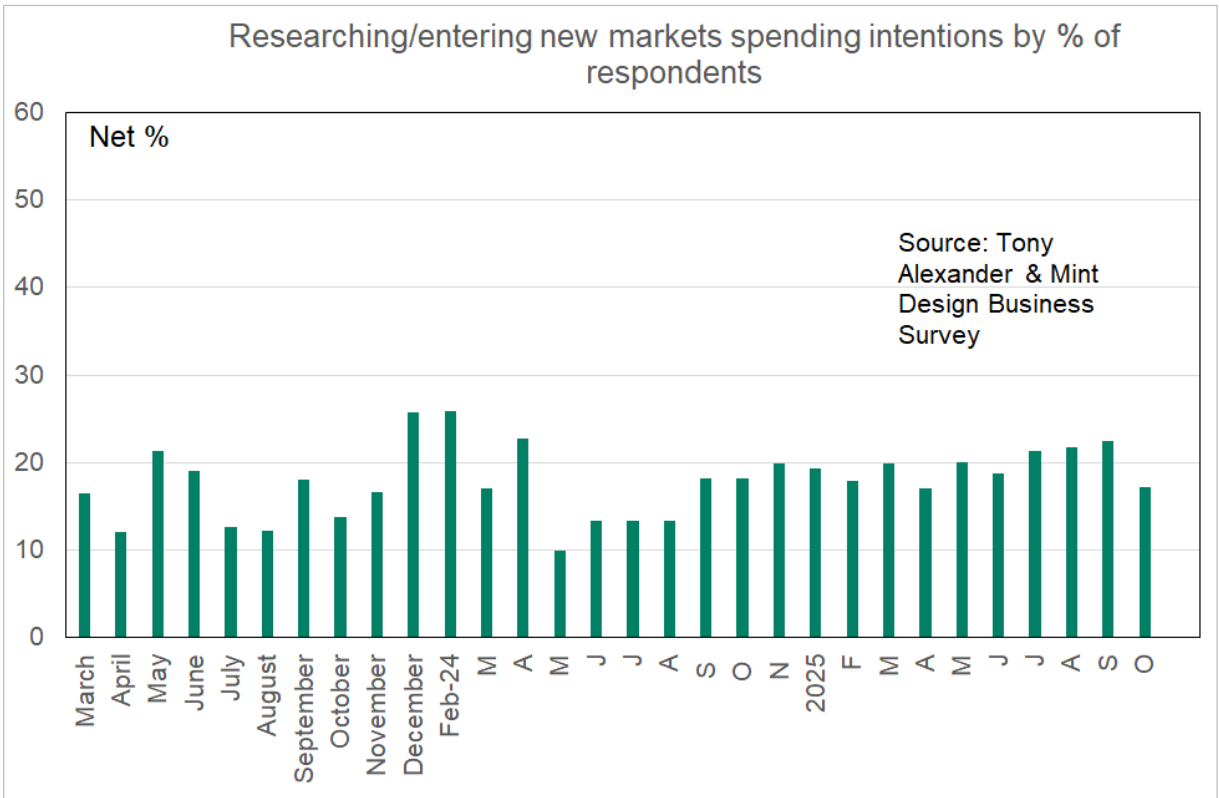
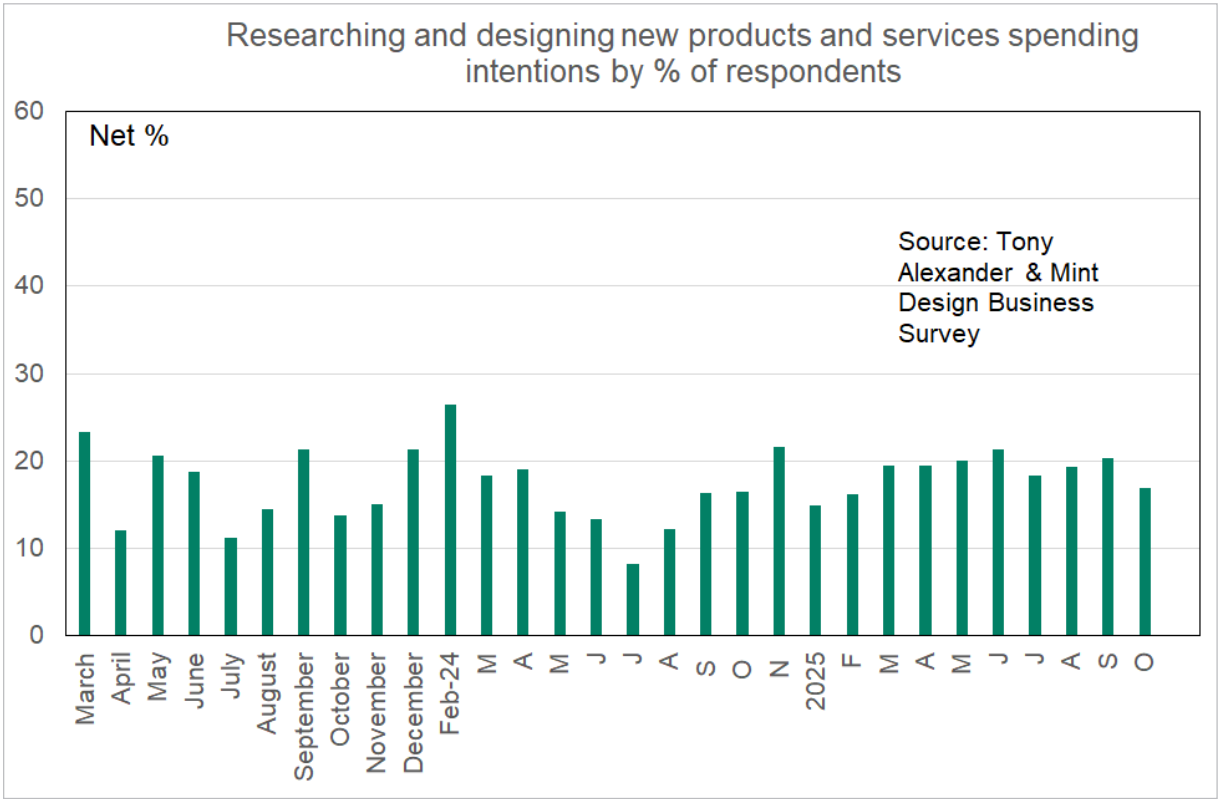
In anticipation of firmer economic conditions next year businesses are planning to increase spending on recruitment. Accompanying this trend is an underlying rise also in plans to spend on good workplace culture.



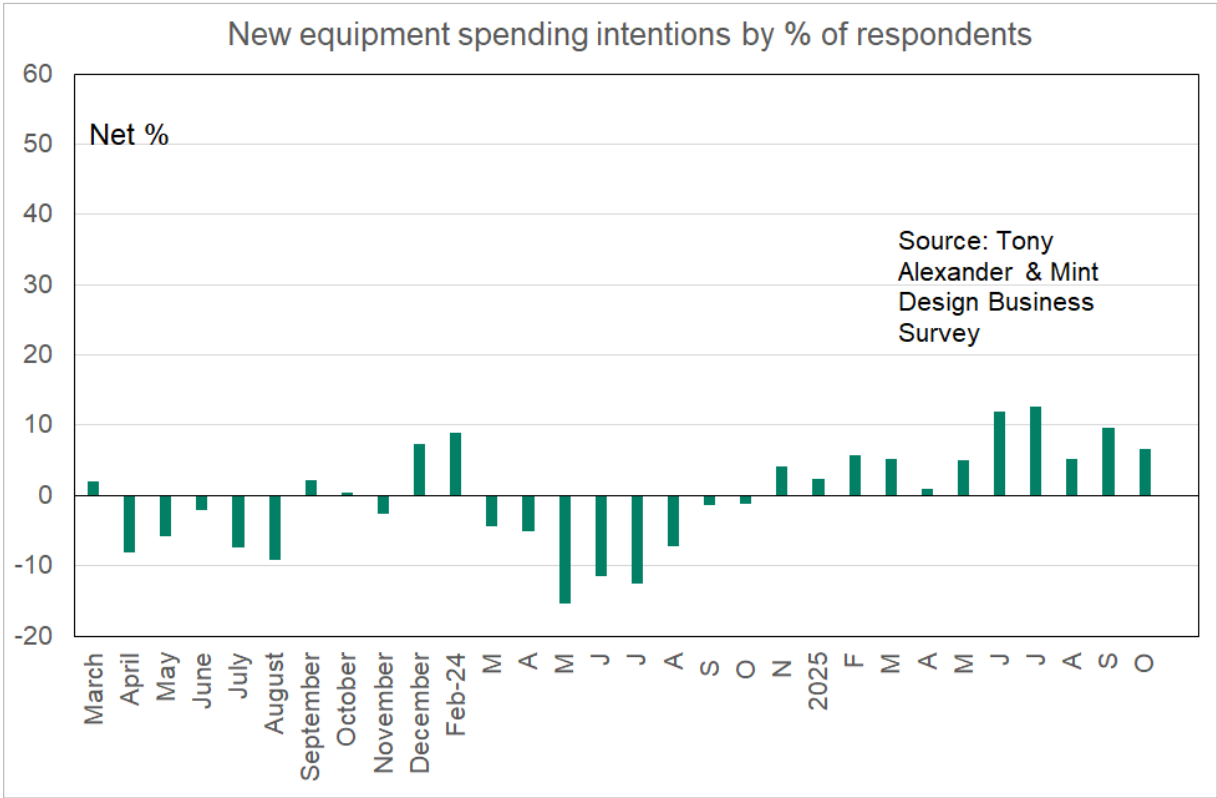
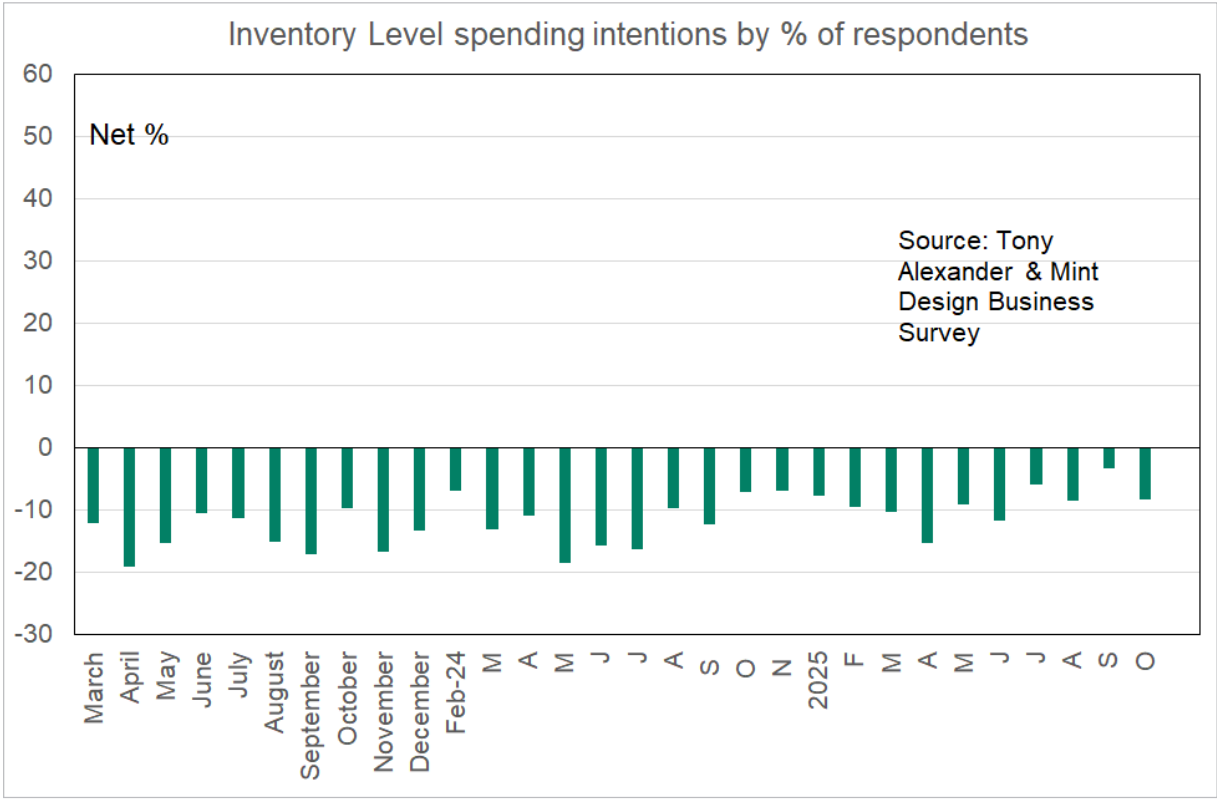
Remuneration spending plans are slowly edging back up. But as yet plans are not moving up for spending on staff training.



With regard to spending on researching and designing new products, some easing in intentions is underway. But more interestingly, there has been a noticeable drop in the net proportion of businesses planning to enter new markets. This might or might not be a one month blip.

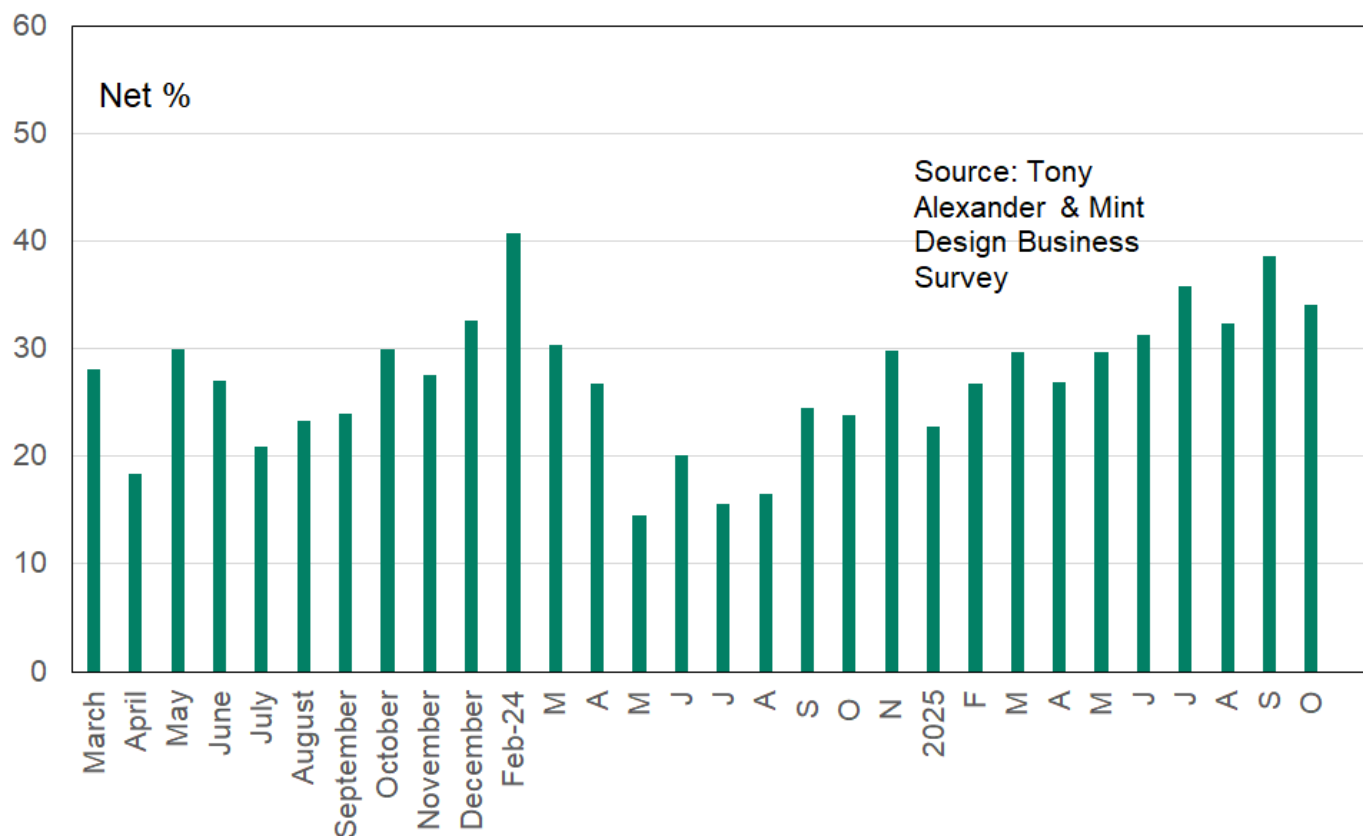


Businesses are not yet ready to back their positive view of operating conditions through 2026 by boosting inventory levels and that is something worth noting as we consider how seriously businesses believe things will change. Caution remains. This caution may explain the absence of a continuing upward trend in the important area of investment intentions. Until this measure in particular firms a lot more it would seem wise to take some of the positive implications of business expectations for a better 2026 with a grain of salt.



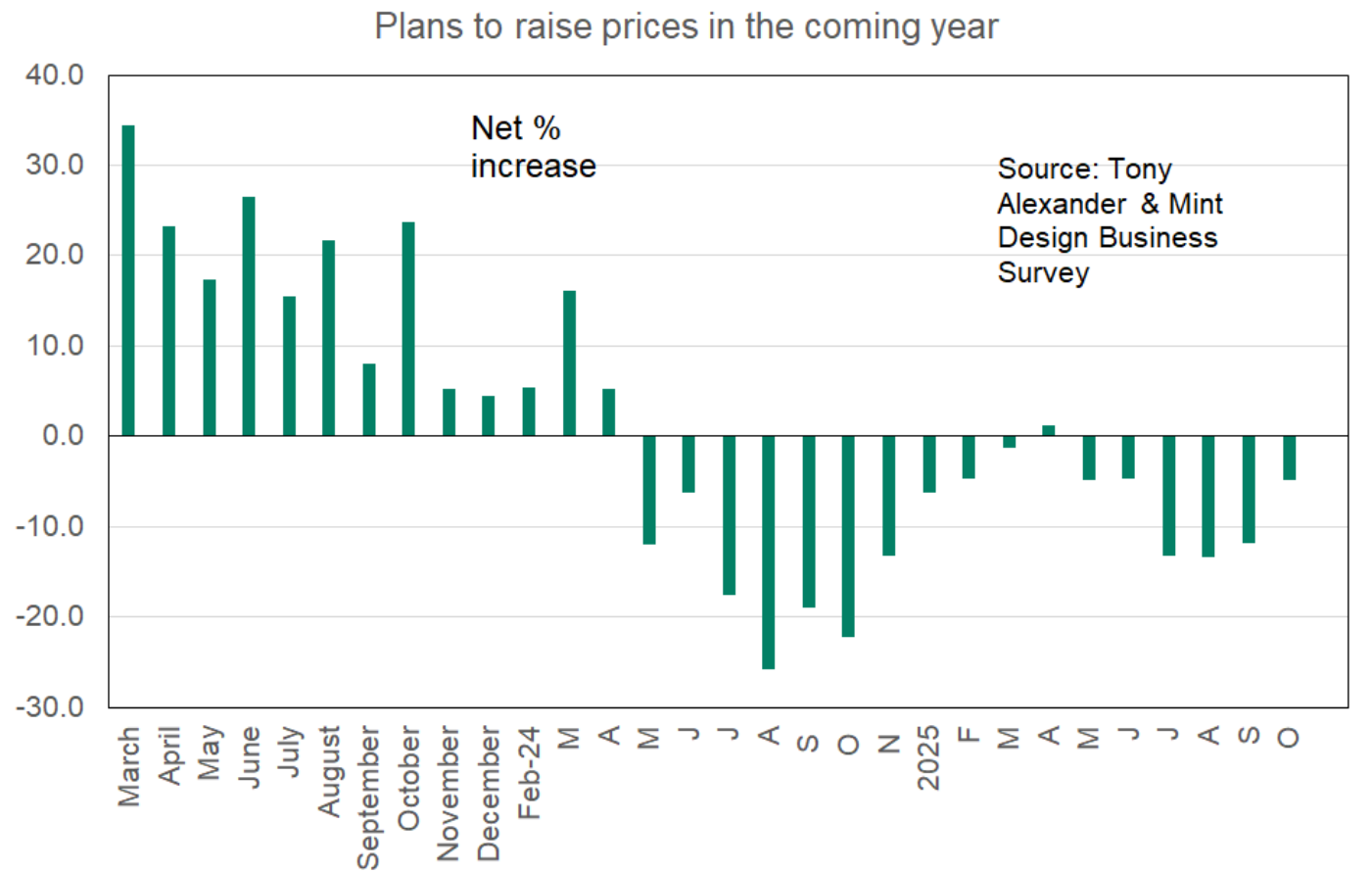
Finally, the net proportion of businesses planning higher spending on digitisation and one suspects AI is positive but no longer trending up. Again, caution is suggested.

Technology/digitisation spending intentions by % of respondents



Are you planning on increasing your prices for any of your products or services this year?

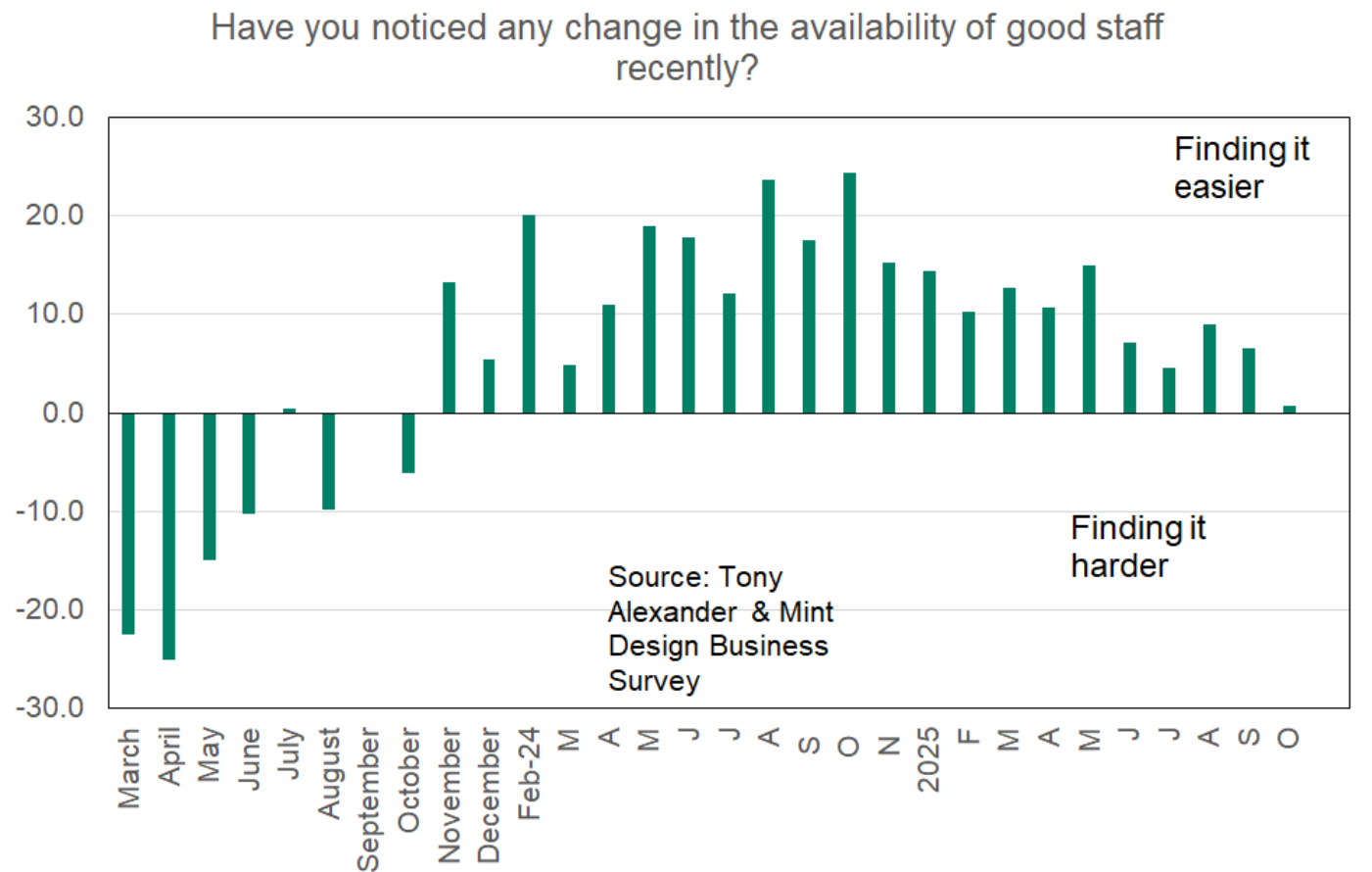
A net 5% of businesses have reported plans to cut their prices or keep them constant in the coming year. This is up from the net -12% last month but remains on the restraining side for future inflation. In that regard it bodes well for inflation over 2026. However, the prevalence with which many businesses have noted costs still rising suggests upside inflation risks further out.



Have you noticed any change in the availability of good staff recently?

A net 1% of businesses have said that they find it easy to secure good staff. This sounds positive from the point of view of businesses handling growth. However, it is down from a net 7% last month and the weakest such result since October 2023.

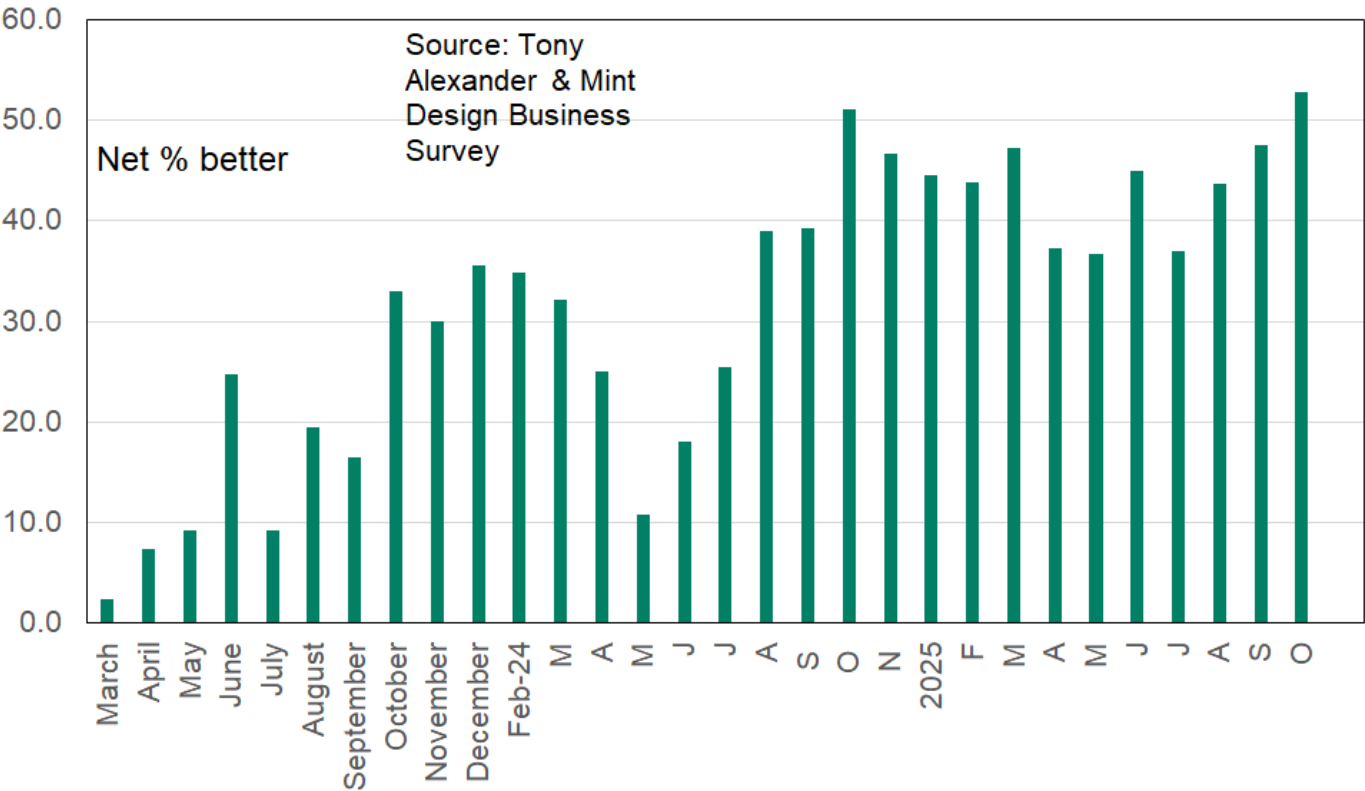
The data are telling us that even before the effects of positive economic stimuli like lower interest rates, higher farm incomes, a lower dollar, and upturn in the consumer durables and inventories cycles kick back in, businesses are no longer finding staff plentiful. This may help explain why some businesses in their offered comments said they are hoarding staff through the currently still weak period of growth in their customer flows.



In 12 months from now, are you expecting your business revenue to be better, worse or stay the same?

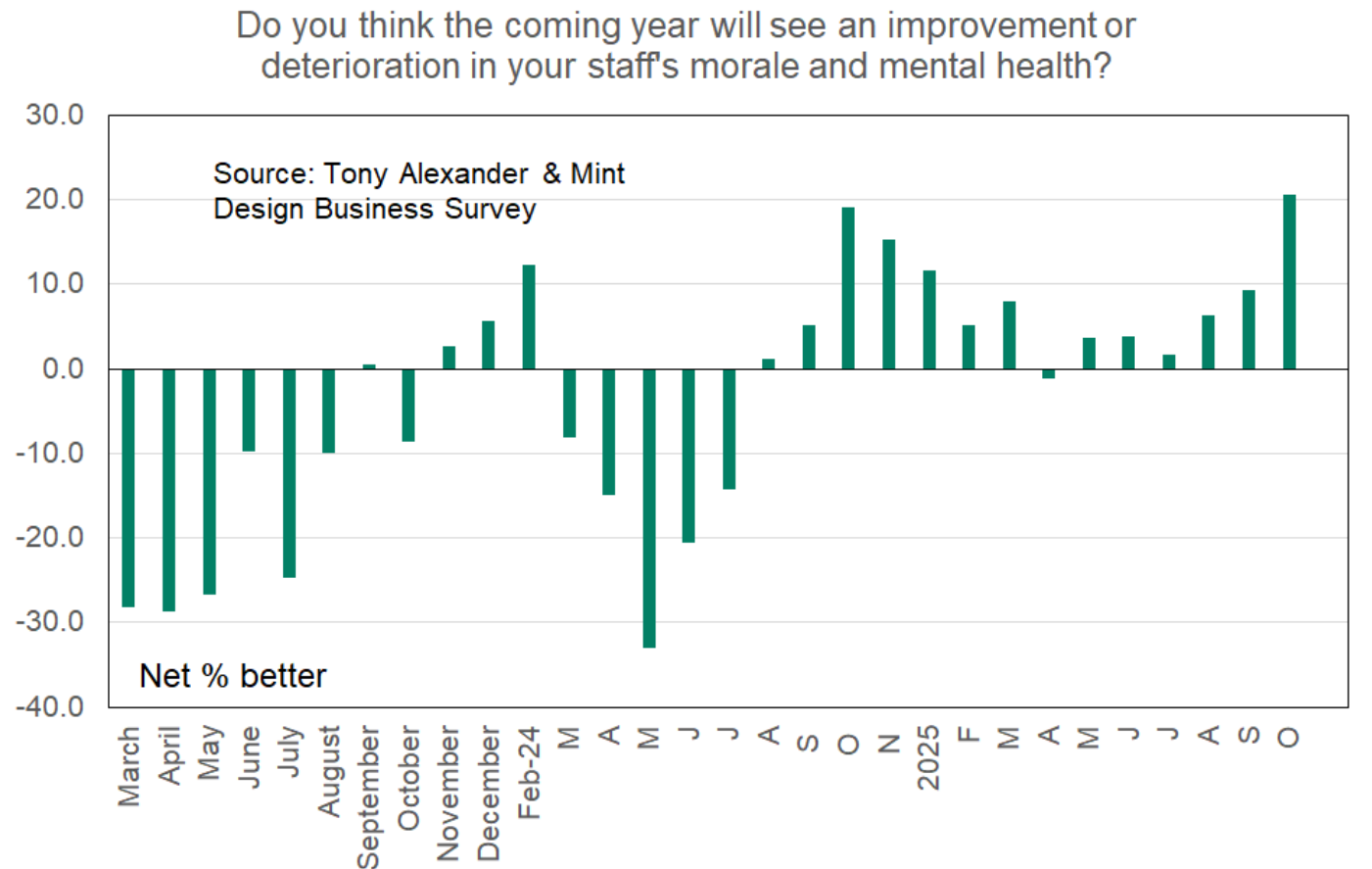
A net 53% of businesses expect their revenues to improve over the coming year. This is up from 48% last month and the strongest result since our survey started in March 2023. Businesses are firmly of the view that better times lie ahead.

In 12 months from now, are you expecting your business revenue to be better, worse or stay the same?



Do you think the coming year will see an improvement or deterioration in your staff's morale and mental health?

The strong expectation of better business conditions in 2026 has translated through to an expectation by businesses that staff happiness will firmly improve. A record net 21% of businesses expect staff morale to improve, up from a net 9% last month and a net 1% six months ago who expected morale to deteriorate.



Respondent Insights

Following are most of the comments submitted by survey respondents, grouped by the industry they allocated themselves to from a list of over 30 sectors. These are the tidied up comments of the respondents.

Main points which we are able to glean from these responses include the following.

- Notable concern in the Accounting sector regarding the impact on their revenue of AI.
- Businesses overall note that conditions are still very tough, and the air of despondency remains strong. But signs of an upturn are slowly emerging and hopes remain good for better conditions in 2026.
- Concerns are strong about the negative tone of media and the risk of a change in government next year.

Accounting & business advisory services incl. business broking

- Scraping on the bottom, time for connecting with stakeholders and business building activities
- Starting to see green shoots of growth appearing. Has been a tough winter.
- Reduced discretionary spending.
- Continue to 'hunker down' on most aspects. New revenue sources and retention will receive priority.
- I can't meet sales demand due to shortage of qualified & experienced staff willing to work in a small business.
- AI intruding on our compliance sector driving down our income.
- A lot of uncertainty around the impact of AI on the accounting industry. IRD going hard on debt collection is real and we are supportive of it.
- I'd like to see business owners be more proactive with their businesses – there is plenty of work out there – they just need to get off their backsides and go and get it – they've had too many years where it just came easily to them – they now need to pick up the phone and go get it
- Outsourcing from overseas due to lack of trained staff in NZ.
- I think it will be challenging to keep staff morale up and cater for a changing workforce profile.
- The tone of the media paints a picture of an economy that is far worse than what we are seeing.
- It's a tough environment out there for business. Most people I talk to are pretty exhausted from the constant and ongoing grind.

- Starting to see some signs of increased activity in most of our client's businesses. It is not spectacular, but confidence is growing that the economy is starting to improve, albeit gradually.
- AI development and what that means for CA firms and business advisory firms.
- Retail still doing it hard – really need to see the end of the winter/spring weather conditions. Trades workflow improving.
- Wary about the election coming up next year and a possible change to the positive trajectory this government is putting us on.
- Slowly beginning to improve, which is good news as we move into election year.
- While clients are still very cautious with spending and investing in their business, there seems to be a more positive long term economic outlook.
- My retail clients are having a real struggle despite the excellent dairy prices lifting the local Southland economy
- The bouncing along the bottom may be coming to an end, and some daylight may be appearing. Hoping it's not a freight train.
- We have had a good 6 months YTD. Concerned going forward as locally we have entered a downward spiral. Clients' income continuing to trend down, businesses closing everywhere, buildings boarded up or now empty lots. Some heading to Australia or losing out to Australian competition. Need a massive injection in the region to turn fortunes around.
- Clients' financial positions deteriorating due to higher costs and less turnover.
- A poor economy and similar issues worldwide
- Businesses are, generally, struggling financially
- Wider lack of confidence in the economy and consumer confidence specifically
- Inquiry levels are picking up, along with conversion rates. I'm hopeful we have seen the worst and a steady recovery will ensue
- There seems to be a large number of people trying self employment after being made redundant. Lots of new businesses seeking advice.

Advertising & marketing

- We have seen more clients committing to spending on marketing and advertising again, including investing in their branding, which is an improvement on the previous 12 months.
- Very competitive with so many new entrants to my market
- Client mood is slowly improving, which will hopefully translate through to increased confidence and spend.

Architecture

- Growing enthusiasm but insufficient underlying confidence. Multi-res pre-sales require an improved housing market. Many of my peers are still suffering after 2.5 years of downturn.
- Plenty of work quoted for households. They are still choosing to either defer or not continue with the architectural work.

Banking and Finance

- Limited confidence, over-supply, poor government-led strategies
- Demand for business lending and leasing is still very patchy – some customers starting to get busier and needing to invest, some customers still struggling.
- Business confidence remains at low levels. Businesses have minimal new work in front of them and therefore no need to borrow. OCR reductions are having minimal positive impact on businesses, debt servicing reducing and helping cashflow, but it is not assisting in any new investment/growth. Outside of Agri the economy appears very stagnant.
- Insufficient attention to quality workplace attitude / culture
- The real estate and property development market is in a healthy state. Good developers are bringing quality projects to the market. The RBNZ now has interest rate setting in stimulatory territory, but has taken an unnecessary sledgehammer to the economy by moving too slow and looking backwards. A change is apparent, and good times will evolve in 2026.
- Client demand for funding not strong – people being cautious until they see what happens.

Cafes, bars, and restaurants

- Lack of spending. Holding staff.
- I'm in QSR sector, we are seeing a slow but steady increase in sales, but our cost of goods is forecast to rise in 2026, so pricing will need to be reviewed to cover this as well as rising labour costs. This economy is really bad.
- Our costs are steadily increasing, against a market where it is difficult to increase prices to maintain profits. Our biggest cost is wages & this is increasing steadily, against a backdrop of increasing competition.
- Turnover has risen in the past four weeks. Our cost cutting measures have finally paid off as our bank balance is now increasing (2 months in a row! Third month looking good too). Paying ourselves on a regular basis does wonders for our mental health. We will be spoiling ourselves a little bit. We deserve it after the last few years. Hopefully everyone else will get increased turnover as well.
- Growing sales, but this is not what others in industry report. Consumer looking for value, maybe were delivering.

Civil construction/infrastructure

- Some major projects have been cancelled or delayed.
- Lack of forward work pipeline certainty + cost of living continuing to bite hard.

- Still waiting for a material upturn in business.
- Loss of experienced staff in the sector via retirement, offshore movement and moving out of industry continues to be a key concern and challenge.
- We are lucky to be in an industry not affected by economic downturns so much but the media constantly being negative makes it hard to stay positive sometimes even for us.
- From what we are seeing there are a few green shoots starting to show, Its early days, hopefully it will last.

Commercial construction

- Long, slow grind out of the doldrums. Significant, painful price pressures.
- A sense of crouching and pausing – waiting.
- Uncertainty regarding the OCR is limiting investment – the weak Kiwi Dollar is also not helping as we import in USD.
- Currently holding onto extra staff. Margins are being squeezed. More unexpected tender opportunities recently but a large number not becoming actual jobs. A lot of project uncertainty and clients that are slow to commit.
- Experiencing increased levels of activity in the short-term with resources stretched in most areas, slightly more conservative medium term outlook. Year end performance is forecast to surprise on the upside. Expect the governments infrastructure spend will make a positive contribution to sector activity
- Business is steady as a subcontractor based in South Island – more work to price but a challenge to win work with reasonable margins – lots of competition

Commercial real estate

- A struggling retail sector and general lack of confidence is very evident. Fortunately this is tempered by a strong industrial sector which underpins our business. Lower interest rates and their forward trajectory are a big positive for us.
- More for lease or sale signs
- Everyone is still cautious when it comes to spending
- Media is starting to report positive outlook for Commercial which gives market confidence.
- Still a lack of tenants/small businesses – one vacancy for 12 months now.
- A lot more positivity appearing in the business sector. A general increase in activity across all commercial asset classes. Investors are becoming more active looking at buying something now, before they have to compete with more buyers that will push the prices up.
- Green shoots are emerging in the form of increased demand for industrial investment properties in Auckland.
- Northland, commercial real estate and business sales continues to be challenging.

Education and training

- Seeing a slight improvement in demand over the last two months
- The poor economic situation with high unemployment will see a number of younger people remain in education while the economy decides what it wants to do. Of concern is the number of graduates who remain unemployed and the number of students who need work experience as part of their qualification who are unable to get it in order to fulfil graduation requirements.
- Just a need to grow awareness of our product internationally
- Economy is weak and wallets are closed except for essentials with an election a year away with a very uncertain outcome need a very strong business case for investment.
- Very welcome rationalisation of ECE sector regulations
- Cuts after more cuts this year, seems more of the same for 2026. We're already past lean and these cuts will likely decrease future cashflows now.

Engineering

- Relying on construction industry. Not great but a very dim light in the future. Long term relationships are paying off to keep work coming in, especially on a no-bid basis. Margins are tight and I don't see much improvement.
- Inconsistencies with weekly demand for our services
- Proposed changes to the treatment of Earthquake Prone Buildings, could not have come at a worse time for the structural engineering industry which has been struggling for 2 years already, has seen mass redundancies and lot of good talent snapped up overseas.
- There seems to be an increase in jobs to be priced – particularly government funded jobs, e.g. schools and hospitals.
- Customers are coming back, and morale is lifting.
- Being diverse and in somewhat niche market has proven a godsend.
- Trying to get customers to buy, its just terrible at present.
- Lack of client confidence that flows on to reduced workloads
- Steady pick up in activity for development over the last few months. We are now very busy.
- We have been busy through most of the downturn, though now we are starting to feel a reduction in workload following on from a reduction in enquiry over the winter months. Some stronger levels of enquiry coming through now but very price competitive.
- Requests for quotes for new orders have really dropped off in the last three months.
- It's been a really hard 18 months in engineering design, but the switch feels like it's been flicked in the last 6 weeks or so and across the board our teams are now back and busy, all be it off a smaller base than we were previously. Expectations for the short to medium term are back in growth mode, but not significant headcount increases, growth through leaning into automation and efficiencies

- 1st quarter we were down 23% on last year, Second quarter we were up 4% on last year. October has started well. Fingers crossed it continues on the up. Reps on the road are getting more positive comments from customers
- Customers dithering or downsizing in the face of gas shortage and tariff effects or similar uncertainties.
- Growth from lower Kiwi dollar

Farming & farming services

- Aquaculture – Once again the RMA compliance, good staff hard to find – actually any staff, slow pace of change, government always announcing change but not following through, enormous costs of bureaucracy and time wasting dealing with them.
- Electricity supply charges off the planet!
- We grow kumara. Demand for fresh vegetables per capita has declined meaning prices at the supermarkets are really great value but this still has not increased consumption. Also Drug use in Northland makes it really hard to get productivity out of local employees meaning we are using more and more backpackers for our seasonal roles. We are a local business, and we would love to employ more locals, but many are not willing to come to work ready to actually work.
- High commodity prices (revenue) partially offset by rising input costs. Concerned for when commodity prices decrease yet input costs stay the same or keep rising.
- Kiwifruit still on a bull run – high interest from external capital looking to get a piece of the action – success will largely rely on their choice of industry partners. Land price being ratcheted up. Bay of Plenty Grazing land suitable for Horticulture largely gobbled up, Avocado Orchards next up to be subsumed by the mighty kf industry
- Dairy industry 'cashed up' – good on them; competition for dairy support/ conversion in land/prices in Canterbury. S@B struggling to compete on these prices – our industry having a lift but is it sustainable? Meat processors facing overcapacity – restructure/plant closures inevitable. Last man standing bus. model as it stands now. S@B breeding numbers big reduction – dumb policies delivering a shrinking industry and killing NZ GDP export \$ which NZ desperately for a fictitious carbon market! History will judge us!
- Strong consumer demand for kiwifruit. Firm pricing. Confidence across the sector.
- Horticulture – Confidence is steadily growing!

Financial advice/wealth management

- Sector consolidation. Big players coming in from offshore.
- Green shoots are appearing in our local economy, but some people are really struggling. OCR drops are helping.
- Increased premium pressures contributing to affordability issues
- Massive uncertainty with ripples from USA
- New business very slow

- AI – continued uptake and development- – consolidation/ amalgamation of product suppliers.
- Funds Management – Uncertainty with investors, confused about where the world and the market is heading.

Health

- Low optimism for economic growth, rising costs not matched by subsequent increase in government funding
- Return of confidence
- Lack of experienced broad-based national level leadership skills and informed, quality-based purchasing.

Information technology

- Many companies are delaying any new projects, everyone is hanging on and saving cash.
- Unpredictability and instability making it hard to make business decisions
- Harder to find overseas customers, however, increasing our presence and marketing will hopefully help to find some more.
- Demand for capex spend is certainly higher than a year ago with speed of decisions shortening up.
- M&A activity, both competitors and some larger customers are consolidating.
- Staff morale low, wages poor and redundancy looming
- Focus on costs from customers, they love the product, however they having to reduce all costs to survive!
- Uncertainty caused by US Government tariffs and threat of AI bubble bursting
- The business is increasing sales and doing well. Businesses in Canterbury seem to be generally doing well.
- We provide climate control technology. Organisations are increasingly tech savvy; however economic and political uncertainty always disrupt buying intentions. As with most organisations we see a recovery as patchy. If we could see a clear trend we would double down there, but it is difficult. It is slow but the long sales cycles of the last 18 months appear to be slowly decreasing as organisations plan and execute faster against their strategy in our space.
- Sales still very slow. New business acquisition almost non-existent. Not expecting much to change as year end approaches fast.
- Customer demand from private sector is okay, but demand from government continues to track well below historic levels with no uptick in sight.
- increased competition, greater cost of doing business, higher levels of compliance, greater need for staff wellbeing
- Grass roots appearing for increased development of AI enablement and how AI fits with there business

Insurance

- Across NZ, a deep lack of business and financial confidence resulting in a slow return to a more robust market position. Most being employment and uncertainty of finances, which is difficult to turn around, despite great effort by the current government.
- The key thing at present impacts medical insurance. There have been very large premium increases – above 20% & through to 40%+ – in some cases. It's across the board with all providers. In the case of one supplier the cancellation of some benefits & the imposition of part charges has come out of the blue.
- Could the Council please take action to stimulate the Auckland CBD? Stop unhelpful measures from Auckland Transport. Address the "street people" issue.

Legal

- General economic climate and the knock on effects of NZ grappling with living within its means.

Manufacturing (all categories)

- Things are not going well
- Customer demand continues to be flat!
- We've had a few good months of demand, but we're not getting too excited yet.
- Heavy and frequent discounting, aggressive comparative advertising.
- Strong sales with a buoyant primary sector, primarily dairy
- Inputs are imported so the costs are very high. These costs have to be passed on to our customers (B2B). Manufacturing is under pressure in every direction. It is easier to get low skill labour but still very difficult to get good high skilled workers in the regions.
- Central government doing a good job undoing the economic damage of the last government, but local council is busy trying to thwart the current governments agenda with ridiculous compliance or environmental rules that make it more and more difficult to be in business.
- The competition is fierce in the transport sector. Margins are tight and improved efficiency a challenge to actually achieve. Other specialist sectors of the business are still challenging, but the order book is showing signs of gradual improvement.
- Reluctance by customers. Feels like they are trying to hold out until 2026. Customers who historically increase orders this time of year are either going to be last minute or not at all. A wee bit of lift in some sectors but with timber increases coming in as of 1st Nov this could slow things down even more
- In the food manufacturing sector we are seeing our margins being eroded with input costs still rising. Supermarket margins never go backwards in fact they are demanding more! Any price increase we put through gets passed through to consumers at the shelf and this will stifle demand for our products. It's tough!

- Definite step up felt over the past month, after a very quiet August. More projects that were on hold are coming back online. Concerned that we don't have a change of govt next year however, and put paid to all the progress, the fruits of which we're only starting to see now
- Persistent negative vibe within our sector, some justified some not. Retail sector still slow. Agriculture and Horticultural sector going OK. Customers telling us that the forecast for NZ economic improvement by Mid 2026 seems a long way away. Also the chit-chat in the media of a potential single term government is creating further uncertainty. Low NZ dollar continues to lift our raw materials cost and is filtering through our end product.
- With interest rates falling consumer confidence washing out in hospitality and consumers have cash to spend.
- Customers can't afford our product, assuming that is due to job losses and/or cost of living.
- The Worm has finally turned, and demand is increasing but not before time.
- We are grateful to be operating in the dairy sector and seeing stable customers and good demand
- It's still a mixed bag with sales and still uncertainty in the market but we are hopeful for a positive end of the year with sales.
- High level opportunity
- Extremely top heavy in middle/upper management to the detriment of staff in operations.
- Still hard going in the NZ retail market. Last week's 50 base point reduction by the RB will feed through slowly, just as farm incomes will eventually do in urban areas but with only c.33% of households on mortgages and weak net migration it's going to take a long time in my opinion. I'm normally a glass half full person, maybe the tone of the media and the political situation is even getting to me.
- Struggling retailers. People not spending. Medical Political blocks
- After a relatively week 18 months we are experiencing an upturn in demand. Now the issue is getting the staff back to a reasonable level of productivity!!
- Currently seeing an uplift in orders due to the end of year Christmas rush, uncertain as to how long this may continue.
- It is tough in the manufacturing game; we have to compete with the imports.
- An increase in backhanders/corruption.
- Had a busier than expected September but unfortunately that appears to have been an outlier because October has fallen into the status quo of low demand and sales. Really hoping we begin to see a meaningful lift over the Summer months, we won't be able to sustain a further 6-12 months if they are anything like the previous. We are currently looking at opportunities outside of our main offering to help support the business through this next period

Miscellaneous

- Arts and recreation – We have lost of tradies using the gym, many are speaking about a positive change coming. Previous cancelled members are slowly coming back having cut disposable income a while back. Focused on quality not quantity like some gyms do. Plenty of low cost options out there, we dont need to join the race to the bottom.
- Beauty – Finding quality staff
- Electrical contractor – In general not feeling that positive about the economy
- Energy – Low customer demand driving more intense competition amongst major players in market
- Energy – The key things are the politics and regulatory changes.
- Entertainment – Lots of businesses still doing it tough but some starting to see an uptick. Seems NZ recovery is slowly starting to get underway now from everyone we are speaking with in our large network. Caution remains on the global geopolitical situation though.
- Entertainment – It feels like we have turned a corner, with a 12 month pipeline of work visible.
- Franchise Sales and Support – Hesitancy – people holding back and not committing
- Gardener – Consumers still want help with gardening during the growth season. This business is at a very young stage so still finding my way navigating everything. Especially knowing what competition is out there and how to stay ahead of competitors. Will concentrate on building client base and moving from a part time enterprise to a full time one.
- Hire Equipment – Elevated work platforms Commercial construction gone, race to bottom for remaining scraps – Inflation Killing us
- Home improvement/storage – Increased competition, customers very price sensitive,
- Investor – Lack of positive news always hearing bad news.
- Investor / Author – Reduction in interest rates for superannuitants & subsequent loss of income.
- Laundry – after a tumultuous year there does seem to be some positivity on the horizon from customers
- Miscellaneous – Customers are still not spending; we've added a new event for Christmas preparation which is paying off in registrations and payments so far. Events held by others (e.g. trade-type shows) continue to be a turn off with high registration fees but little chance of making that back in sales.
- Miscellaneous – Customers (corporate and government) remain under pressure to look for cost savings, and our competitors are hungrier because base revenue remains soft. We're doing better than last year but only because we have significantly stepped up our business development efforts; most in our industry and supply chain continue to be down by at least 3% on 2024. 2026 budgets are underway and we're reluctant to predict a lift in the economy having been burnt by that assumption this time last year.

- Plant and equipment supply / install – Market still very subdued, competition reducing prices while their and our landed costs increase due to dollar falling. Meanwhile increasing compliance wastes everyone's time. At least the central bank seems to have got the message of how bad things are finally.
- Residential house painting – not much demand for our services, clients not spending or maintaining their houses as much
- Residential/commercial flooring sales & installation – We are seeing green shoots. Our group builders are on the move selling homes, and turnover (while sputtering) seems to be on the rise.
- RV import and sales – Increased Australian competition as their market softens and NZ demand remains depressed
- Screen Industry – The International Screen Industry is at a crisis level not seen since 2013. It is imperative that the Government make changes immediately to the New Zealand Screen Production Rebate, or the sector will cease to exist. The current situation of negative growth and brain drain could be dramatically reversed through some relatively simple improvements to the NZSPR's settings. This is not a drill!
- Signage design make and install – inconsistency sales very much hand to mouth

Mortgage broking/advisory

- Volumes of growth are steep
- Need to remove anti-competitive and cherry-picking behaviour of banks

Motor vehicle sales/parts

- Things are still very tough out there, need the interest rate cuts to keep flowing through, giving people that little bit more money to spend. Increase in property prices would help a lot.
- Sentiment from customers and staff still negative, more so in Auckland, Christchurch seems to have a better vibe
- This trough is getting longer!
- Used Japanese car importer – Increases to the CCS (Emission Tax) over the next four years will increase the price of Japanese imports by up to 50%! Vehicle arrivals already 50-60% lower than 1-2 years ago as the tax is restricting workable vehicle targets.
- Decline in revenue reduction in staff hours cost reductions debit reduction
- Increased competition, slimmer margins and margin for error. Increase taxes and regulatory impact in our industry moving into 26. On the positive side, people are coming out and wanting to spend money. Positive inflow from the Agriculture sector
- Still a challenging sales environment for my brand. Fewer sales over the last few years = fewer units in operation in coming years, constraining potential growth.

Recruitment

- No noticeable positive trend yet in recruitment activity yet. Still very quiet, lack of opportunities for candidates who want a change.
- Past optimism has become moderated to the reality that things are not going to improve in the sector until next year. Uncertainty with the economy and politics together with negative media opinion does nothing to give much optimism that there will be much improvement for businesses to make decisions on growing staffing numbers. The growth in Job seekers does not help the situation as many have the wrong skills required for existing available positions and are applying for any position rather than those that suit their experience and qualifications.
- The NZ economy is doing it tough and the consistent negative rhetoric from the media isn't helping. On the ground the outlook appears more positive than what is in the papers. Skills shortages and the exodus of skilled workers to Australia is a concern for productivity. Improvements in immigration policies for skilled workers will alleviate this
- The recruitment market usually goes a bit quieter during school holidays, but anybody would think we are still in the school holiday period, as it is still quiet.
- Clients are hesitant to spend and are taking longer than usual to make decisions. As a result, they're missing out on good talent/opportunities. Many are waiting to see how lower interest rates actually flow through the economy before committing. There's still caution around government stability, with concern that a potential change in power next year could wipe out any early green shoots of recovery they're starting to see.
- Not only high unemployment and lack of well paying jobs, but the political environment is currently driven by ideology rather than what is best for the majority of people in the country. Politicians live in a different world than the rest of us!

Residential construction incl. section development

- Hardware store, supplier of building materials to the trade – Intense competition, business selling products at a loss just to turn stock into cash.
- Land development – Council consenting delays and costs have become prohibitive for land development that affordable sections for the public purchase are difficult to achieve
- Land Development; Land Surveyor – At a micro level, Auckland Council's withdrawal of Plan Change 78 has already thrown uncertainty into the land development area in the wider Auckland area and will continue to do so as the new Plan Change is implemented. It just seems like it's one thing (Council, Government Policies) after another that's trying to derail this sector in Auckland.
- Property Development – Property Development is still in a dark hole. Very few positive prospects. Everything is hard – Banks, Market, Council every aspect is difficult, very hard to get all of the stars to align at present-then we have the prospect of a Labour TPM Greens alliance-God help us.

- Clients are slow to commit. Hopefully there is some better sentiment with the OCR drop
- A whole lot of uncertainty for investors, and no immigration, therefore no demand
- Enquiry and sales slowly increasing
- We had seen an increase in inquiry up until the Q2 GDP number was announced, then it seemed to drop off again. I think all the negativity in the media is really starting to have an impact on consumer confidence even with the OCR dropping again. We're preparing to take on another couple of team members, but have started to get very concerned about the lack of good quality people – they don't seem to be around anymore!
- Lack of customer demand
- Many are struggling but there are green shoots and hope ahead for most
- Overregulation
- Nice to be steady in development – not crazy and not quiet. After the last 20 years in developing Queenstown, we have earned a breath.
- Residential construction still slow despite consent numbers. New home sales appear to be seeing more interest.
- Very small lift in confidence
- Very low demand from the residential sector. People who do ring are shopping around and price checking. Calling and booking in an urgent job seems to have completely disappeared.
- Busy in Selwyn
- Lower interest rates will see a rise in residential construction – the fix is 26!
- Sales are very slow and margins low for medium-sized construction businesses in Auckland.
- confidence returns to the NZ story.
- Manawatu still very slow but seeing small increase in demand in BOP

Residential real estate

- Flat hard market with the odd green shoot
- Still very slow and difficult, has been a hard couple of years and it's hard to stay enthusiastic for our clients. Taking its toll mentally on our team.
- Slightly see the light at the end of the tunnel.
- Economic uncertainty and job security uncertainty may stop a lot of potential property vendors and purchasers from entering the real estate market. Low sales figures are expected to continue thru 2026 with property values rising at a nominal rate only

- I think any general recovery is a while off. Debt reduction/stability will come before increasing spending.
- Lack of confidence in the economy and little flow through from interest rate cuts to stimulate real estate market.
- Lower stock levels and hesitancy from both sellers and buyers but this should improve with the recent rate drops.
- OCR needs to come down further and with a reduction in interest rates there will be more confidence in the marketplace
- Momentum building as the OCR drops
- More enquiry and desire to provide products to meet where the demand is. Affordable housing.
- More positivity out there
- Finally starting to see a bit more positivity in the Real Estate market but buyers still slow
- Still very tough in residential housing
- The gross activity will probably be better due to the lower interest
- Vendors selling and losing money as property purchased at a high level, private sales increasing with limited success, competition from other real estate companies poaching head hunting staff
- Still apprehension about whether the economy will improve to have faith in further business investment
- In Real Estate in Taranaki lacking buyers at present as oil and gas have closed down and this little once vibrant town is slowly dying and becoming a ghost town with only old folks in it. LOL

Residential rentals/Investment

- Economy shows green shoots then goes backwards again.
- Good residential tenants are becoming as rare as hens' teeth.
- Lack of customer lack of enquiry
- Much of the same – good tenants are still leaving the country
- Residential property values have fallen so much, that it has led to lack of investment interest.
- Interest rates are coming down, much better for cash flow even though the market is dead in Wellington. Tenant availability is a worry going forward, so many young people have given up on Wellington, and the new Mayor will be ineffective for business.
- Less demand for rental housing, soft rents and harder to find tenants with good credit and employment history
- Tough times

- Compliance costs have greatly increased over the past 18 months, these costs we haven't be able to pass on to our customers. Lots of people are hurting financially and worried about their future job security
- Lack of tenants in the market
- General lack of confidence but hope for the new year
- Steady as she goes
- Talk of things getting better but can't feel it as yet. Surely the 0.5 drop in the OCR will kick things off?
- Rates increases, R&M, reduced rents
- The need for removal of regulations that impose a requirement on everyone, at a cost with no added value, while only there for a small percentage of people
- Stagnant – No Improvement, but not in dire straight, just waiting for things to improve

Retailing

- Customers look to repair rather than replace with new products. Customer discretionary spend non-existent with sales of larger ticket items taking time and salesmanship to get across the line.
- Very gradual increase in foot traffic... still kicking tyres though at this stage!
- No change in government is the most important
- Sales still falling from last year in apparel retail – Looking to be a grim summer!
- The proposed restriction on on-charging credit card fees to the customer will increase prices to all our consumers, or we may remove that form of payment. Either way it is not a good outcome for customers. We cannot afford to absorb the cost. However this restricts choice for customers – the Govt has missed the mark on this proposal. Also the current exchange rate is making offshore travel more expensive while it hasn't impacted yet, prolonged weak NZD, or a further drop, may impact demand. However, on the upside, demand is still strong overall and resolution in the middle east will be positive.
- Despite the OCR cuts we've seen very little to reassure us that the economic fundamentals have improved dramatically however there are some areas of business where capital items are moving more quickly so maybe there genuinely is more confidence in the B2B sector? Having to carry a bit more inventory than we'd like as the supply chain is still a bit fractious. Ever hopeful that we'll see real change in business confidence as we head towards the calendar year end.
- Growth in same store sales which is positive
- It's all price based on the product – but customers not comparing apples for apples and getting a worse off deal than they thought.
- Customers delaying payments – 60 days (usually 30)

Shipping, transport, storage & distribution

- High competition, low volume. The pie has gotten smaller.
- Competition from owner drivers is getting pretty tough out there and import volumes are still 21% down.
- Steady as she goes
- We should do more business with expected milk export growth.
- Large companies undercutting contract prices

Tourism & accommodation

- Compliance is still an issue – still too much wasteful compliance with Councils. People do not have discretionary income to spare – you can tell budgets are tight. Not enough of the right type of tourist still.
- Our South Island operation is holding up our business at the moment as we tap into the higher level of activity there compared the Auckland.
- Lack of events that drives hotels and broader tourism, hospitality sectors. Seeing fruits of labour from strategies implemented at national and regional level, mainly Auckland market recovery to absorb oversupply

Wholesale

- Competition is tough and aggressive, however can see the market starting to turn and improve slowly
- Our economy is still in a dismal state with no clear signs of it turning around any time soon. It's frustrating that NZ seems to be on its own in that respect. The government is a massive disappointment, and the co-alliance demands focus on inconsequential yet antagonistic matters.

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